

SWARTLAND MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2012/2013 TO 2013/2014

ANNUAL BUDGET OF

SWARTLAND MUNICIPALITY

2012/13 TO 2014/15
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading	l	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kl	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

See Annexure 1

1.2 Draft Council Resolutions

See Annexure 2

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. In addition, the municipality during the year proactively embarked on a strategic long-term financial sustainability exercise in order to ensure that this budget, as well as future budgets, is compiled to ensure that services to the community remains at high levels without overburdening the consumers of municipal services with excessive tariffs.

The main risks identified by the strategic planning exercise can be summarised as follows:

Major risk	Inherent risk rating		
	Impact	Likelihood	Rating
▪ Insufficient revenue to meet the demand for services	5	5	25
▪ Expensive, unaffordable services	4	4	16
▪ Unsatisfied / uninvolved / uninformed clients	4	4	16
▪ Lack of appropriately skilled and productive staff	4	4	16
▪ Unsafe and unhealthy working environment	5	4	20
▪ Ageing and poorly maintained infrastructure which can result in a collapse in services	5	5	25
▪ Lack of capacity in respect of infrastructure	4	4	16
▪ Infrastructure imbalance between different towns such as Malmesbury and Chatsworth	4	4	16
▪ Imbalance between the three pillars of sustainable development i.e. environment, economy and people	4	5	20
▪ Lack of good governance	4	4	16
▪ Inadequate management - and IT systems	5	4	20
▪ Decrease in law compliance	5	5	25
▪ Insufficient preparedness for disasters	5	4	20

For each of these risk areas the municipality compiled business plans in order to prioritise expenditure according to the risk ratings. These business plans will all be implemented over the MTREF period according to available funding, however, in the 2012/2013 financial year no provision was made for the implementation of the business plans.

The Municipality has also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The municipality, however, acknowledges that there can never be too much information and involvement in its interaction with the public at large, and for that reason it is still identified as a major risk area.

National Treasury's MFMA Circular No. 58 was mainly used to guide the compilation of the 2012/13 MTREF. Some of the key challenges faced by the municipality when compiling the budget were:

- The ongoing difficulties in the national and local economy;
- Aging roads and electricity infrastructure;
- The need to prioritise projects and expenditure within the existing resource envelope given the cash flow realities of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from West Coast District Municipality for Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects and the resultant operational costs associated with new infrastructure projects; and
- Availability of affordable capital/borrowing.

In order to measure itself against other local municipalities and benchmarks, the municipality, with assistance from the Provincial Treasury, embarked on a project to set standards based on best practises in the Western Cape. The first part of the project encompasses a financial analysis of all local municipalities based on the actual audit financial statements for 2010/2011 as well as the tariffs for the 2011/2012 financial year. From results of the project obtained it is clear that Swartland Municipality can be regarded as one of the best financially sound municipalities in the Western Cape, indicating that financial management practices and policies are delivering positive results. However, there is a strain on the financial resources of the municipality over the MTREF period as can be seen elsewhere in this report on the Cash flow analysis.

The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:

- The 2011/12 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2012/13 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

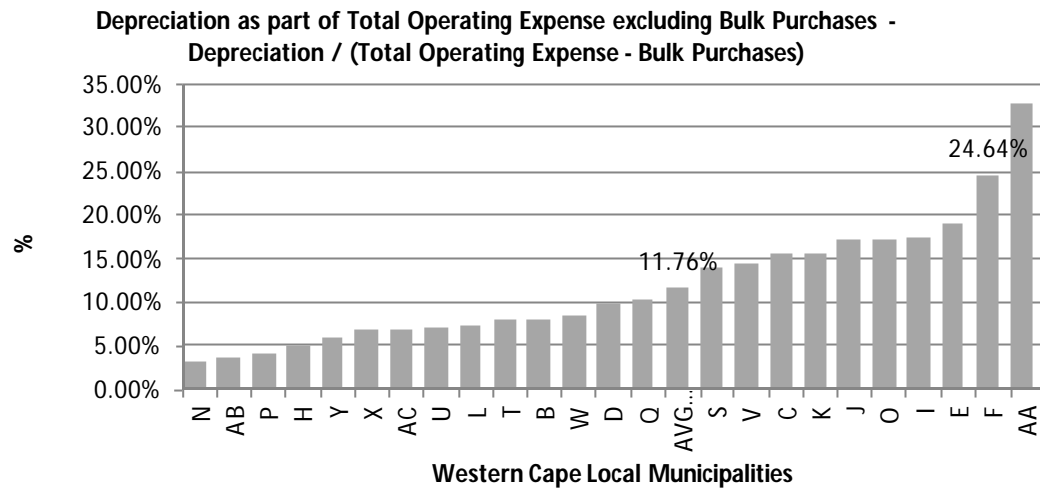
In view of the aforementioned, the following table is a consolidated overview of the proposed 2012/13 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2012/13 MTREF

R thousand	Adjustments Budget	Budget Year	Budget Year +1	Budget Year +2
	2011/12	2012/13	2013/14	2014/15
Total Operating Revenue	373 479	413 711	439 453	483 004
Total Operating Expenditure	422 570	439 239	475 845	516 436
<i>Surplus/(Deficit) for the year</i>	(49 091)	(25 527)	(36 392)	(33 431)
Total Capital Expenditure	99 611	86 848	74 563	48 388

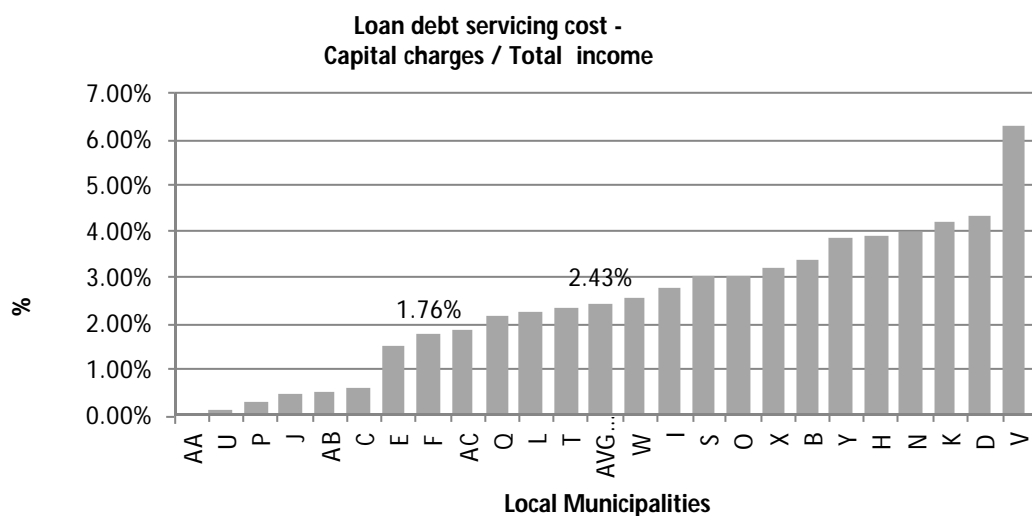
Total operating revenue has grown by 10.77 per cent or R40.2 million for the 2012/13 financial year when compared to the 2011/12 Adjustments Budget. For the two outer years, operational revenue will increase by 6.22 and 9.91 per cent respectively, equating to a total revenue growth of R69.3 million over the MTREF when compared to the 2011/12 financial year. These values include capital transfers.

Total operating expenditure for the 2012/13 financial year has been appropriated at R439,2 million and translates into a budgeted deficit of R25.5 million including capital transfers. When compared to the 2011/12 Adjustments Budget, operational expenditure has grown by 3.94 per cent in the 2012/13 budget and by 8,33 and 8,54 per cent for each of the respective outer years of the MTREF. The operating deficit, including capital grant transfers, for the two outer years increases to R 36.4 million for the 2013/2014 financial year and then decreases to R33.4 million. The main reason for the operating deficits are the depreciation charges which are well above the average for other municipalities, (see graph below where Swartland Municipality is depicted as "F") and is as a result of the implementation of a deemed cost for infrastructure assets, in terms of Directive 7 issued by the Accounting Standards Board. The municipality is currently investigating ways to reduce this percentage to be on par with other municipalities which applied a "cost-conversion" model to infrastructure unbundling.



The capital budget of R86,85 million for 2012/13 is 13 per cent less when compared to the 2011/12 Adjustment Budget. The reduction is due to various projects being finalised in the current financial year as well as affordability constraints in the light of current economic circumstances. The capital programme further decreases to R74,6 million in the 2013/14 financial year and then evens out in 2014/15 to R48,4 million and these decreases are mainly as a result of the planned completion of the R105 million waste water treatment projects. A substantial portion of the capital budget will be funded from own revenue (R110,1 million or 52,5%) over the MTREF with anticipated borrowings of R48,6 million (23,1%) and Grants to the value of R51 million (24,3%) making up the other funding sources.

Borrowing increased in the current financial year from R53,7 million by R105 million as a result of the loan raised for the Waste Water Treatment Projects. The repayment of this loan will naturally put an additional strain on the municipality's financial resources, but it is important to provide for services at acceptable levels and strategically provide for the future timely. Despite the raising of this loan, the municipality is still within the limits of its borrowing capacity but will raise very limited loans in the outer years in order to curtail rising debt servicing costs.(see graph below for 30 June 2011 where the municipality ("F") is well under the average for the Western Cape).



1.4 Operating Revenue Framework

For Swartland Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 96 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The inflation forecasts for the MTREF period is on average 5,4% per annum. The municipality's aim is to not exceed inflation in its annual tariff adjustments but external factors such as the Eskom increases and which are beyond the control of the municipality hampers this goal.

In order to ensure all revenues are raised and recovered and further that all ratepayers are being treated equitably, the municipality identified certain areas of concern and is busy implementing measures to address these problem areas. These areas include the following:

Strategy
Review tariff modelling
Maintain and improve on debt collection
Secure new sources of income
Counter the potential loss in electricity income
Ensure an accurate and well maintained income database
Secure more external funding and government grants for soft services including long term funding for operating expenses
Monitor the financial health of the Municipality against financial standards

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Description	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Budget	Budget	2012/13	+1 2013/14	+2 2014/15
<u>Revenue By Source</u>						
Property rates	56 669	58 908	58 908	67 476	72 142	77 274
Service charges - electricity revenue	124 534	154 563	154 569	169 402	187 451	208 045
Service charges - water revenue	25 671	27 180	27 180	32 285	36 925	44 594
Service charges - sanitation revenue	16 797	19 630	19 630	20 934	23 467	27 138
Service charges - refuse revenue	12 599	13 821	13 821	18 147	18 814	19 963
Rental of facilities and equipment	2 405	2 262	2 262	2 407	2 521	2 642
Interest earned - external investments	11 326	16 058	16 058	12 023	10 819	9 893
Interest earned - outstanding debtors	1 187	1 222	1 222	1 195	1 225	1 255
Fines	5 052	4 036	4 036	4 040	4 241	4 453
Licences and permits	2 713	2 729	2 729	2 724	2 860	3 003
Agency services	2 301	2 414	2 414	2 416	2 536	2 663
Transfers recognised - operational	40 026	37 844	39 852	34 701	36 039	39 158
Other revenue	15 939	9 754	9 042	11 360	11 807	12 204
Gains on disposal of PPE	6 287	7 708	7 708	6 365	2 785	2 498
Total Revenue (excluding capital transfers and contributions)	323 505	358 130	359 433	385 473	413 632	454 783

Table 3.1 Summary of revenue classified by municipal vote

Standard Classification Description	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Revenue - Standard</u>					
Executive and council	199	1 444	2 541	2 890	3 755
Budget and treasury office	151 621	119 870	119 676	112 886	116 990
Community and social services	1 364	4 664	5 253	5 559	5 585
Sport and recreation	2 063	2 100	2 056	2 159	2 267
Public safety	5 072	4 025	4 028	4 229	4 439
Housing	252	260	251	247	244
Planning and development	1 993	1 127	1 312	1 374	1 440
Road transport	5 517	5 437	5 456	5 756	6 044
Electricity	125 291	156 081	171 059	189 313	210 152
Water	27 156	29 793	35 245	40 306	48 496
Waste water management	25 085	28 355	32 939	37 580	43 289
Waste management	13 262	20 306	25 119	26 636	28 270
Other	16	18	18	19	21
Total Revenue - Standard	358 891	373 479	404 953	428 954	470 991

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Table 3.2 Percentage growth in revenue by main revenue source

Description R thousand	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework					
	Adjusted		Budget Year		Budget Year		Budget Year	
	Budget	%	2012/13	%	+1 2013/14	%	+2 2014/15	%
Revenue By Source								
Property rates	58 908	16.4%	67 476	17.5%	72 142	17.4%	77 274	17.0%
Service charges - electricity revenue	154 569	43.0%	169 402	43.9%	187 451	45.3%	208 045	45.7%
Service charges - water revenue	27 180	7.6%	32 285	8.4%	36 925	8.9%	44 594	9.8%
Service charges - sanitation revenue	19 630	5.5%	20 934	5.4%	23 467	5.7%	27 138	6.0%
Service charges - refuse revenue	13 821	3.8%	18 147	4.7%	18 814	4.5%	19 963	4.4%
Rental of facilities and equipment	2 262	0.6%	2 407	0.6%	2 521	0.6%	2 642	0.6%
Interest earned - external investments	16 058	4.5%	12 023	3.1%	10 819	2.6%	9 893	2.2%
Interest earned - outstanding debtors	1 222	0.3%	1 195	0.3%	1 225	0.3%	1 255	0.3%
Fines	4 036	1.1%	4 040	1.0%	4 241	1.0%	4 453	1.0%
Licences and permits	2 729	0.8%	2 724	0.7%	2 860	0.7%	3 003	0.7%
Agency services	2 414	0.7%	2 416	0.6%	2 536	0.6%	2 663	0.6%
Transfers recognised - operational	39 852	11.1%	34 701	9.0%	36 039	8.7%	39 158	8.6%
Other revenue	9 042	2.5%	11 360	2.9%	11 807	2.9%	12 204	2.7%
Gains on disposal of PPE	7 708	2.1%	6 365	1.7%	2 785	0.7%	2 498	0.5%
Total Revenue (excluding capital transfers and contributions)	359 433	100%	385 473	100%	413 632	100%	454 783	100%
Total Revenue from Rates and Service Charges	274 108	76.3%	308 244	80.0%	338 800	81.9%	377 014	82.9%

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 80 percent of the total revenue mix. In the 2011/12 financial year, revenue from rates and services charges totalled R274 million or 76 per cent. This increases to an estimated R 308 million (80%), R339 million (82%) and R377 million (83%) in the respective financial years of the 2012/2013 MTREF. A notable trend is therefore the increase in the total percentage revenue generated from rates and services charges which increases from 76 per cent in 2011/12 to 83 per cent in 2014/15. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. Furthermore the revenue from grants is relatively constant and not in pace with that of other increases. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 46 MBRR SA1 (see page 100).

Tariffs for indigent households are set out below:

1	Rates free of charge to the value based on market value of his property to the maximum of R100 000
2	50 kWh free electricity per month
3	10 kiloliters of water free per month
4	Free refuse x 4 removal per month
5	Free sewerage per month
6	ONE FREE WONDERBAG WITH THE FIRST REGISTRATION AS AN INDIGENT HOUSEHOLD

Property rates is the second largest revenue source totalling 17,5 per cent or R67 million rand and increases to R77 million (17 per cent) by 2014/15. The third largest sources excluding grants is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, and advertisement fees. Following a strategic workshop on financial sustainability, where it was identified that some of these tariffs do not cover the cost of the functions, departments were requested to analyse these tariffs in order to ensure they are cost reflective and market related. This process is still ongoing and more information on this can be obtained in the financial plan in the IDP.

Operating grants and transfers totals R40 million in the 2011/12 financial year and reduces to R39 million by 2014/15. Operating grants usually fluctuates upwards or downwards from year-to-year, as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependant on the funding available from the other spheres of Government. The unconditional Equitable Share Grant, however, is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis. Note that the year-on-year growth for the 2012/13 financial year is 24.6 per cent and then flattens out to 7,3 and 7,6 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

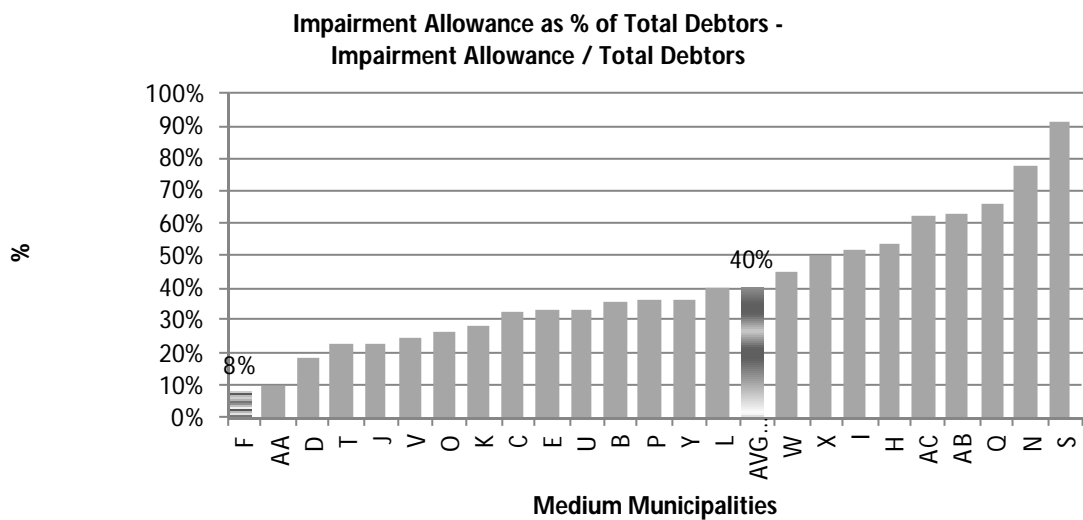
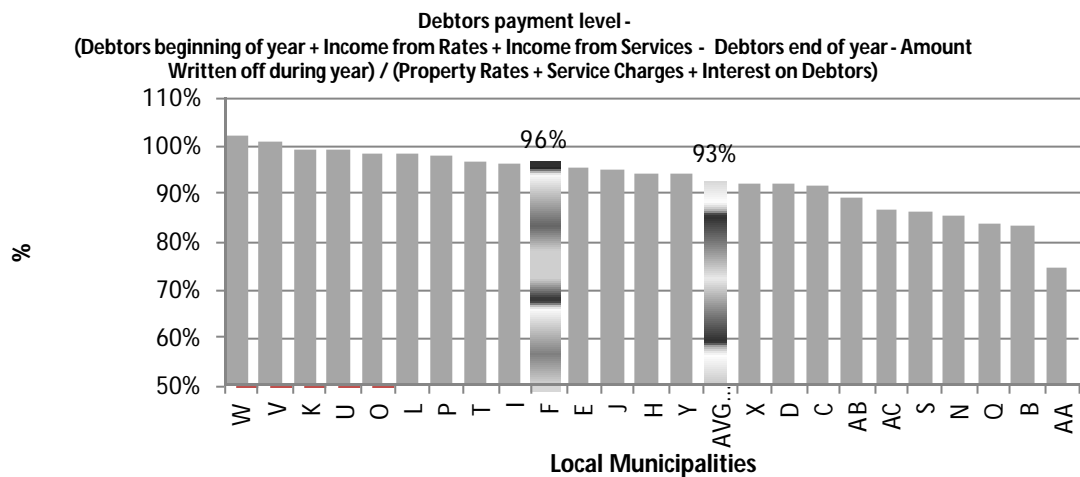
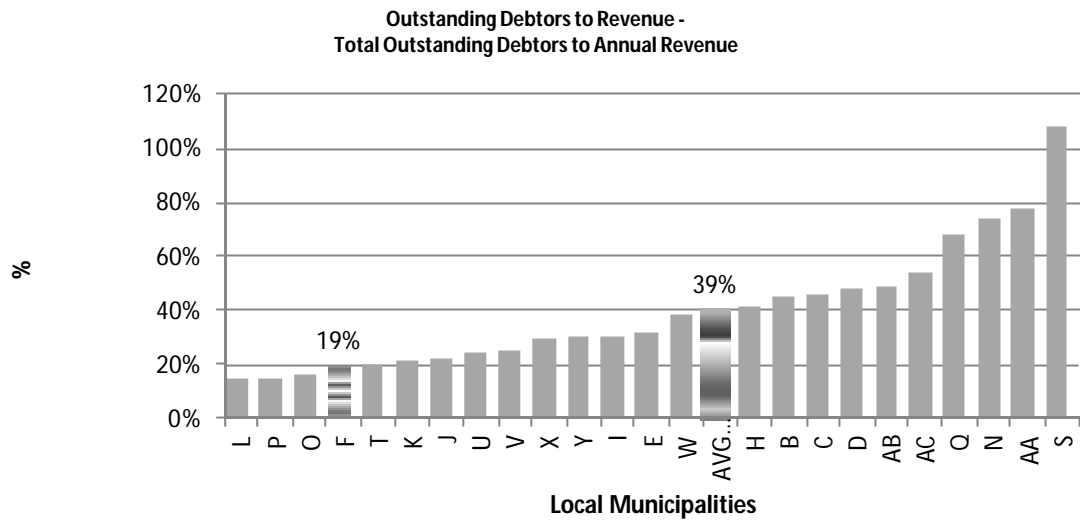
Description R thousand	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
National Government:	26 040	23 434	29 802	31 017	34 123
Local Government Equitable Share	24 635	20 585	26 752	28 867	31 723
Municipal Systems Improvement	735	1 243	800	900	950
Finance Management	670	1 605	1 250	1 250	1 450
EPWP Incentive	–	–	1 000	–	–
Provincial Government:	13 898	16 338	4 899	5 022	5 035
Community Development: Workers	57	26	27	28	28
Housing	–	11 686	–	–	–
Libraries	585	3 823	4 500	4 784	4 784
Proclaimed Roads Subsidy	200	172	172	210	223
Ilinge Lethu Centre	–	137	–	–	–
SDF	–	147	–	–	–
Housing Consumer Education Grant	36	47	–	–	–
Financial Management Support Grant	–	300	–	–	–
PAWK: Sport and Recreation	–	–	200	–	–
Masterplanning: Sewerage and Stormwater	150	–	–	–	–
Electricity Internal Installation: Darling	1 746	–	–	–	–
Housing Project : Chatsworth	11 123	–	–	–	–
Other grant providers:	88	79	–	–	–
<i>Cleanest Town</i>	88	79	–	–	–
Total operating expenditure of Transfers and Grants:	40 026	39 852	34 701	36 039	39 158

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom and West Coast District Municipality bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and water tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. The contribution for bad debt is about 4 percent of the revenue for rates, service charges, interest on debtors and rent of facilities on credit, and equates to R9,6 million in 2012/2013 increasing to R12,1 million in 2014/2015. Although this is high, it compares favourably with recovery rates in other local authorities in the Western Cape, as depicted below: (See "F" for Swartland Municipality)



The percentage increases of Eskom and West Coast District Municipality bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and water tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The municipality is introducing a differentiated rates tariff structure for the first time whereby tariffs for residential- and business properties are not the same. This structure is being phased in over a period of 5 years.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a general 6 per cent increase from 1 July 2012 and 4 percent for residential households is contained below:

Table 5 Comparison of proposed rates to be levied for the 2012/13 financial year

Rates		2011/2012	2012/2013	2013/2014	2014/2015	2012 / 2013	2013 / 2014	2014 / 2015
	Grottoabaai @ 25% of Standard rate	R 0.001483	R 0.001572	R 0.001667	R 0.001767	6.00 %	6.00 %	6.00 %
	Jakkalsfontein @ 25% of Standard rate	R 0.001483	R 0.001572	R 0.001667	R 0.001767	6.00 %	6.00 %	6.00 %
	Peri Urban Areas @ 25% of Standard rate	R 0.001483	R 0.001572	R 0.001667	R 0.001767	6.00 %	6.00 %	6.00 %
	Business Standard Rate	R 0.005933	R 0.006289	R 0.006666	R 0.007066	6.00 %	6.00 %	6.00 %
	Residential Household	R 0.005300	R 0.005512	R 0.005732	R 0.005962	4.00 %	4.00 %	4.00 %
	Businesses in Peri Urban Areas 100% - 2009	R 0.005933	R 0.006289	R 0.006666	R 0.007066	6.00 %	6.00 %	6.00 %
	Government properties	R 0.005933	R 0.006289	R 0.006666	R 0.007066	6.00 %	6.00 %	6.00 %
	Pensioners @ 60% of standard rate- condition apply	R 0.003180	R 0.003307	R 0.003439	R 0.003577	4.00 %	4.00 %	4.00 %

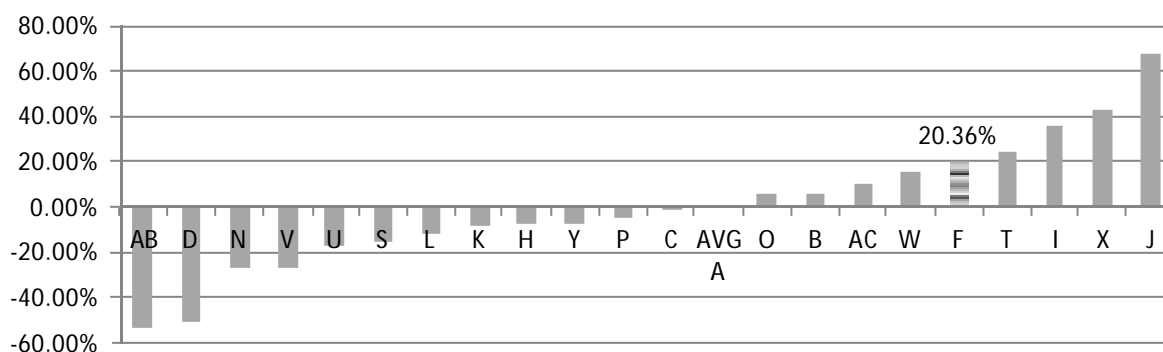
National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R100 000;
- For pensioners and disabled persons, in terms of the Council's Indigent Policy, an additional total rebate of the rates payable on a R200 000 valuation of the property will be granted to owners of rate-able property if such person becomes 65 in the financial year.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The municipality investigates a tariff structure consistent with operational requirements but also to ensure that the ratepayers are not over-burdened. In order to compare the municipality's tariffs with that of its peers and to benchmark itself, the municipality embarked on a data collection exercise for all tariffs and financial results. The comparison for rates, based on a medium to large house, is depicted below:

Large Households Property Rates - Over/(Under) Average



The municipality is investigating the reasons for being on average 20,36 percent higher than the average.

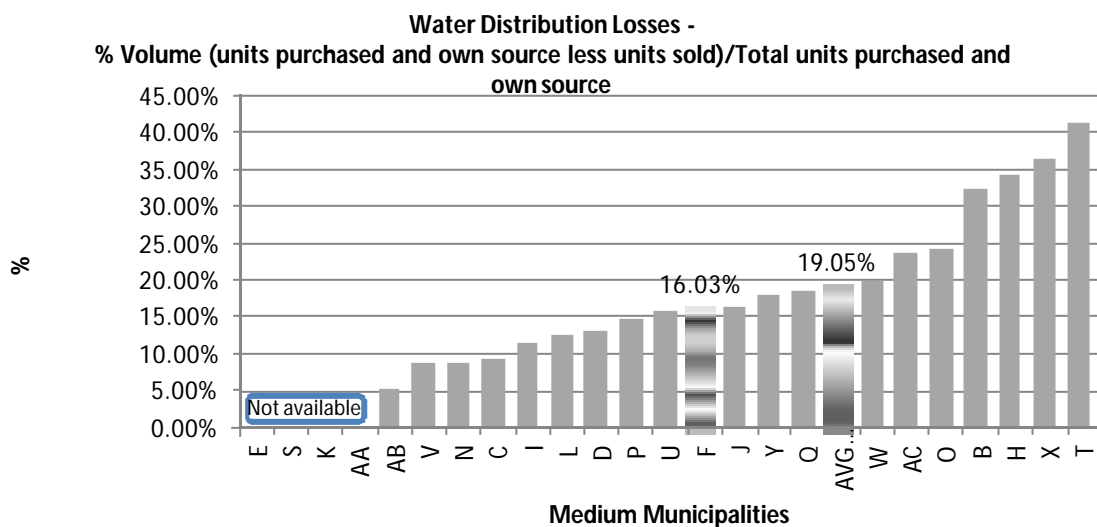
A new General Valuation Roll is being compiled and must be implemented on 1 July 2012. The roll is currently open for inspection and the appeals processes. The tariffs proposed in the draft below, and listed below, were calculated on the assumption that the values as determined by the valuer are correct. The tariffs must generate the revenues as budgeted for and the tariffs listed below might have to be adjusted according to any changes in the valuation roll. This is to be determined during the final budget approval process.

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully costreflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The municipality obtains water from the West Coast District Municipality (WCDM). The WCDM indicated that the water tariffs to the municipality are not cost reflective and as such the tariffs will increase substantially from the 2012/2013 financial year. The municipality is continuously exploring ways to limit its water losses to an acceptable level. There will always be water line losses due to burst pipes and as repairs thereof requires flushing of systems before being distributed again. The water losses of the municipality compares favourably with the average of other municipalities in the Western Cape, as depicted below, (Swartland is "F"), however any losses above 13% is considered excessive by the Auditor-General's office and regarded as fruitless expenditure. The municipality will continue to monitor reasons for the excessive losses and to improve systems to limit the water losses to below 10%.



A tariff increase of 12,5 per cent from 1 July 2012 for water is proposed. This is based on the input cost of purchasing water from WCDM, the cost of other inputs increasing by 6-8 per cent and a deficit of 16,7% on the water service. This deficit will decline to 10,6% and 4,2% over the MTREF period. In addition 6 kl water per 30-day period will again be granted free of charge to all residents and an additional 4 kiloliter per month for indigent households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

Water (per kl)	2011/2012	2012/2013	2013/2014	2014/2015	2012/2013	2013/2014	2014/2015
Households.Free 6 kl	R -	R -	R -	R -			
Households. 7 to 30 Kl.	R 7.28	R 8.19	R 9.21	R 10.87	12.50%	12.50%	18.00%
Households. 31 to 60 Kl.	R 10.02	R 11.27	R 12.68	R 14.96	12.50%	12.50%	18.00%
Households. Above 60 kl	R 15.51	R 17.45	R 19.63	R 23.16	12.50%	12.50%	18.00%
Indigent households - Free 10kl -6Kl from Mun and 4 ex EQS	R -	R -	R -	R -			
Business	R 8.75	R 9.84	R 11.07	R 13.07	12.50%	12.50%	18.00%
Sport Clubs	R 8.75	R 9.84	R 11.07	R 13.07	12.50%	12.50%	18.00%
Farms Business	R 8.75	R 9.84	R 11.07	R 13.07	12.50%	12.50%	18.00%
Departemental water consumption (Recharge contra)	R 7.28	R 8.19	R 9.21	R 10.87	12.50%	12.50%	18.00%
Farm Households.Free 6 kl	R -	R -	R -	R -			
Farm Households. 7 to 30 Kl.	R 7.28	R 8.19	R 9.21	R 10.87	12.50%	12.50%	18.00%
Farm Households. 31 tot 60 Kl.	R 10.02	R 11.27	R 12.68	R 14.96	12.50%	12.50%	18.00%
Farm Households. Above 60 kl	R 15.51	R 17.45	R 19.63	R 23.16	12.50%	12.50%	18.00%
Basic Yzerfontein - Non-permanent residential	R -						

The tariff structure of the 2011/12 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R15.51 per kilolitre for consumption in excess of 60kl per 30 day period.

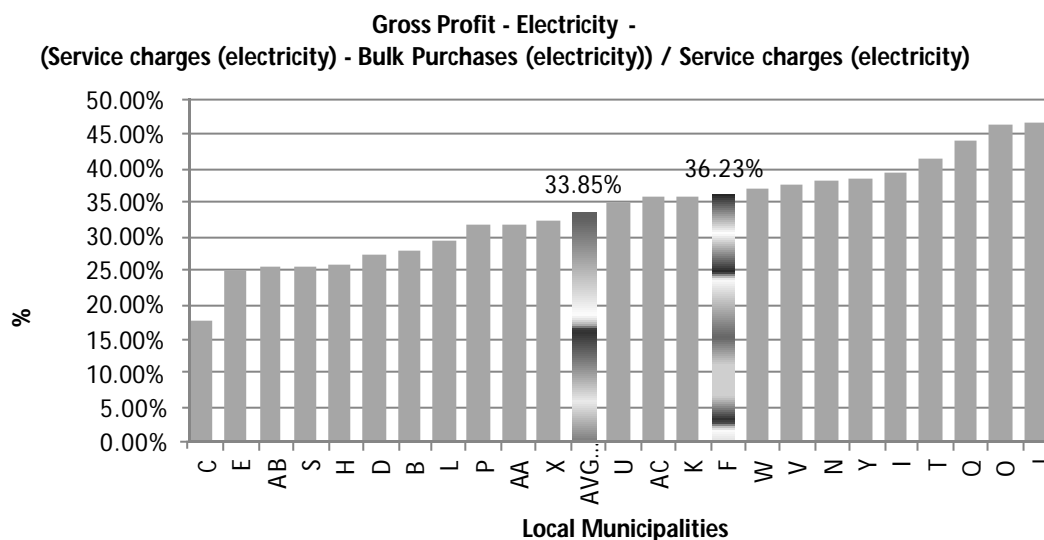
1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 13.5 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2012.

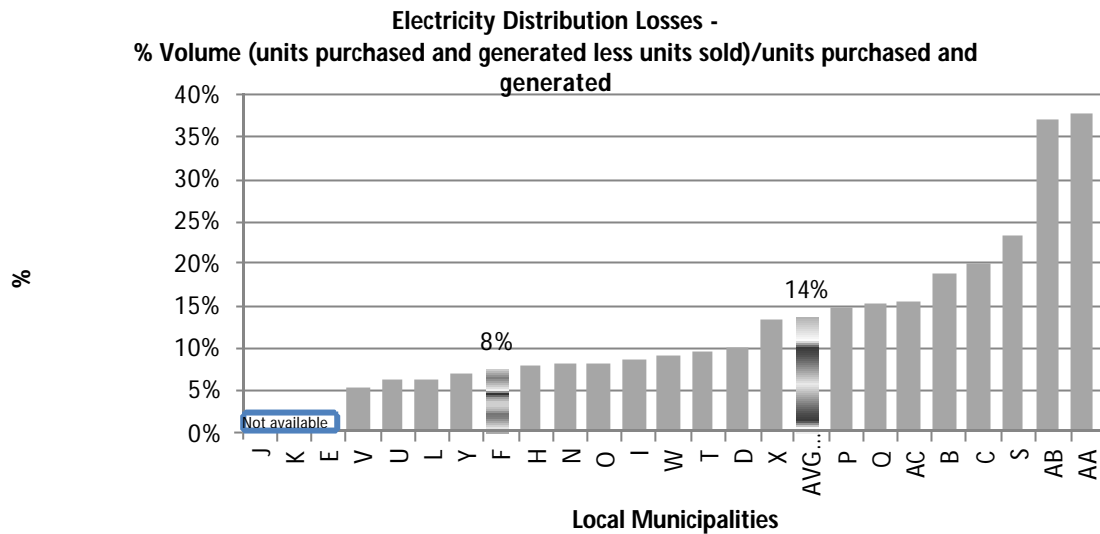
Considering the Eskom increases, the consumer tariff had to be increased by 11.03% to offset the additional bulk purchase cost from 1 July 2012. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to about 10% if possible. The profit margin on the electricity service over the MTREF is 12.7 percent for 2012/2013 and 10.87 percent and 10.35 percent for the outer years. The gross profit for the 2010/2011 financial year is depicted below and is slightly higher than the average for municipalities in the Western Cape (Swartland is "F"):



Electricity line losses are continuously monitored as it can represent a significant financial loss for the municipality. In general electricity line losses of 10% is being regarded as "acceptable" in the industry and Swartland is well below that norm. In addition, in comparison with other municipalities in the Western Cape the municipality's electricity line losses are less than the average as depicted below (Swartland is "F"), however, the municipality will strive to limit any such losses.



The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for customers over the MTREF period:

	Electricity	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2012/ 2013	2013/ 2014	2014/ 2015
1	Households and Farming Consumers Basic	R 106.5738	R 118.33	R 131.9367	R 147.1094	11.03%	11.50%	11.50%
1	Households and Farming Consumers per kWh:-							
1	(0-50kWh)	R 0.6300	R 0.66	R 0.6930	R 0.7276	4.76%	5.00%	5.00%
1	(51-350kWh)	R 0.7200	R 0.82	R 0.9266	R 1.0471	13.89%	13.00%	13.00%
1	(351-600kWh)	R 0.9801	R 1.09	R 1.2208	R 1.3673	11.21%	12.00%	12.00%
1	(>600kWh)	R 1.1400	R 1.29	R 1.4642	R 1.6618	13.16%	13.50%	13.50%
2	Commerce / Non Standard . Basic Ampere	R 5.0830	R 5.64	R 6.2927	R 7.0163	11.03%	11.50%	11.50%
2	Commerce / Non Standard .per kWh	R 0.9112	R 1.011705	R 1.1281	R 1.2578	11.03%	11.50%	11.50%
2	Commerce Basic < 20KVA	R 275.4204	R 305.80	R 340.9662	R 380.1773	11.03%	11.50%	11.50%
2	Commerce Basic 20 to 40 KVA	R 362.2702	R 402.23	R 448.4849	R 500.0607	11.03%	11.50%	11.50%
2	Commerce Basic >40 KVA	R 661.1844	R 734.11	R 818.5360	R 912.6677	11.03%	11.50%	11.50%
2	Commerce Basic < 20KVA per kWh	R 0.9112	R 1.011705	R 1.1281	R 1.2578	11.03%	11.50%	11.50%
2	Commerce Basic 20 to 40 KVA per kWh	R 0.9112	R 1.011705	R 1.1281	R 1.2578	11.03%	11.50%	11.50%

2	Commerce Basic >40 KVA per kWh	R 0.9112	R 1.011705	R 1.1281	R 1.2578	11.03%	11.50%	11.50%
3	Bulk Consumers Basic	R 739.8500	R 821.46	R 915.9228	R 1 021.2540	11.03%	11.50%	11.50%
3	Bulk Consumers - kWh	R 0.3479	R 0.386273	R 0.4307	R 0.4802	11.03%	11.50%	11.50%
3	Bulk Consumers - Max. Demand KVA	R 142.6268	R 158.3585	R 176.5698	R 196.8753	11.03%	11.50%	11.50%
4	Retail Consumers > 100 kWh	R 1.3313	R 1.478142	R 1.6481	R 1.8377	11.03%	11.50%	11.50%
4	Retail Consumers < 100 kWh	R 1.3313	R 1.478142	R 1.6481	R 1.8377	11.03%	11.50%	11.50%
5	Alternative - Households 20 Amp:-							
5	(0-50kWh)	R 0.5800	R 0.61	R 0.6405	R 0.6725	5.17%	5.00%	5.00%
5	(51-350kWh)	R 0.6700	R 0.77	R 0.8855	R 1.0184	14.93%	15.00%	15.00%
5	(351-600kWh)	R 0.9300	R 1.04	R 1.1648	R 1.3046	11.83%	12.00%	12.00%
5	(>600kWh)	R 1.0900	R 1.24	R 1.4136	R 1.6115	13.76%	14.00%	14.00%
6	Street Lights	R 0.4747	R 0.64	R 0.7136	R 0.7957	34.82%	11.50%	11.50%
7	Prepaid - Indigent ready bord:-							
7	(0-50kWh)	R 0.5800	R 0.61	R 0.6405	R 0.6725	5.17%	5.00%	5.00%
7	(51-350kWh)	R 0.6700	R 0.77	R 0.8701	R 0.9833	14.93%	13.00%	13.00%
7	(351-600kWh)	R 0.9300	R 1.04	R 1.1648	R 1.3046	11.83%	12.00%	12.00%
7	(>600kWh)	R 1.0900	R 1.24	R 1.4074	R 1.5974	13.76%	13.50%	13.50%
8	Commercial Pre paid	R 1.2910	R 1.433397	R 1.5982	R 1.7820	11.03%	11.50%	11.50%
9	Sports Grounds	R 2.4454	R 2.567670	R 2.8630	R 3.1922	5.00%	11.50%	11.50%
10	Bulk time of use tariff							
10	Tou Basic							
10	Extention Levy Tou	R -	R -	R -	R -			
10	<i>Tou Low Consumption</i>							
10	Peak (kWh)	R 0.5686	R 0.631361	R 0.7040	R 0.7849	11.03%	11.50%	11.50%
10	Standard (kWh)	R 0.3478	R 0.386185	R 0.4306	R 0.4801	11.03%	11.50%	11.50%
10	Off peak (kWh)	R 0.2434	R 0.270236	R 0.3013	R 0.3360	11.03%	11.50%	11.50%
10	<i>Tou high Consumption</i>							
10	Peak (kWh)	R 2.0380	R 2.262803	R 2.5230	R 2.8132	11.03%	11.50%	11.50%
10	Standard (kWh)	R 0.5292	R 0.587615	R 0.6552	R 0.7305	11.03%	11.50%	11.50%
10	Off peak (kWh)	R 0.2824	R 0.313582	R 0.3496	R 0.3899	11.03%	11.50%	11.50%
10	Maximum demand KVA	R 100.16	R 111.21	R 124.00	R 138.26	11.03%	11.50%	11.50%
12	Prepaid - Households:-							

12	(0-50kWh)	R 1.0932	R 1.213780	R 1.3534	R 1.5090	11.03%	11.50%	11.50%
12	(51-350kWh)	R 1.0932	R 1.213780	R 1.3534	R 1.5090	11.03%	11.50%	11.50%
12	(351-600kWh)	R 1.0932	R 1.213780	R 1.3534	R 1.5090	11.03%	11.50%	11.50%
12	(>600kWh)	R 1.0932	R 1.213780	R 1.3534	R 1.5090	11.03%	11.50%	11.50%
12	OR ALTERNATIVELY PRE PAID - HOUSEHOLD PER kWh	R 1.093200	R 0.631361	R 0.7040	R 0.7849	11.03%	11.50%	11.50%

Comparison between current electricity charges and increases

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality has entered into discussions with NERSA regarding the suitability of the NERSA proposed stepped tariffs compared to those already being implemented by the Municipality. Until the discussions are concluded, the Municipality will maintain the current stepped structure of its electricity tariffs.

The table above provides the increases in tariffs for different users. A summary of the total impact of tariff adjustments will be provided later in this report.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 15 percent for sanitation from 1 July 2012 is proposed. This increase further by 15,5 percent for 2013/2014 and 16,6 percent for 2014/2015. The increases, which are well above the annual projected inflation rates, are mainly as a result of the repayments on the loan of R105 million which was raised in the current financial year. Despite the increase for the budget year and for 2013/2014, the sewerage service, which is regarded as an economic service which should pay for itself, ends with a shortfall of R5,1 million (-13,5%) and R1,6 million (4%) for the 2 years, before changing to a surplus of R 2,6 million (6,3%) in 2014/2015.

The following table compares the current and proposed tariffs:

Table 7 Comparison between current sanitation charges and increases

Sewerage	2011/2012	2012/2013	2013/2014	2014/2015	2012/ 2013	2013/ 2014	2014/ 2015
Swartland 2 nd point	R 16.53	R 19.01	R 21.96	R 25.60	15.00%	15.50%	16.60%
Swartland 1 st point	R 110.18	R 126.71	R 146.35	R 170.64	15.00%	15.50%	16.60%
Sewerage Domestic pumpings 1 st 2 p.m.	R 110.18	R 126.71	R 146.35	R 170.64	15.00%	15.50%	16.60%
Sewerage Domestic pumpings 3 rd per pumping	R -	R -	R -	R -			
Riebeeck Wes Flow over 50% discount	R 55.09	R 63.35	R 73.17	R 85.32	15.00%	15.50%	16.60%

The table above provides the increases in tariffs for different users. A summary of the total impact of tariff adjustments will be provided later in this report.

1.4.5 Waste Removal and Impact of Tariff Increases

Solid waste removal is operating at a surplus which indicates that the tariffs are cost reflective. The projected surpluses on the service are R2, 9 million (11,84%), R3,9 million (14,52%) and R3,9 million (13,86%) over the MTREF period. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

A 6,75 percent increase in the waste removal tariff is proposed from 1 July 2012. Higher increases will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 7 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2012:

Table 8 Comparison between current waste removal fees and increases

Refuse Removal	2011/2012	2012/2013	2013/2014	2014/2015	2012/ 2013	2013/ 2014	2014/ 2015
Bonny Bird Farms	R 77.51	R 82.74	R 87.71	R 93.63	6.75%	6.00%	6.75%
Bulk Containers	R 465.06	R 496.45	R 526.24	R 561.76	6.75%	6.00%	6.75%
Commerce (Moorreesburg Only)	R 77.51	R 82.74	R 87.71	R 93.63	6.75%	6.00%	6.75%
Peri Urban Areas	R 77.51	R 82.74	R 87.71	R 93.63	6.75%	6.00%	6.75%
All Other	R 77.51	R 82.74	R 87.71	R 93.63	6.75%	6.00%	6.75%

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a larger household. More information on the impact on households can be obtained from the attached budget supporting documentation form SA14.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 10 and 13 per cent, with the increase for indigent households closer to 12 per cent.

Monthly Account	Present	2013	2014	2015
Property Rates (1036 ms erf and 234m2 building)– valuation = R 1 010 500	446.30	464.16	482.68	502.05
Electricity - Basic	106.57	118.33	131.94	147.11
Electricity – 1000 Units	927.53	1044.00	1176.62	1326.31
Electricity Levy	-	-	-	-
30 kl Water	174.72	196.56	221.13	260.93
Sewerage	110.18	126.71	146.35	170.64
Refuse Removal	77.51	82.74	87.71	93.63
A/c Excluding VAT	1 842.81	2032.50	2246.42	2500.67
% Increase		10.29%	10.53%	11.32%
A/c Including VAT	2038.32	2252.06	2493.34	2780.48
Tariff Increase		R 189.68	R 213.92	R 254.26
A/C Increase		R 213.74	R 241.28	R 287.14

Note that there are also availability charges for empty erven payable, as per the official tariff lists

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2012/13 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in Circular 58;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Limitation on tariff increases.

The following table is a high level summary of the 2012/13 budget and MTREF (classified per main type of operating expenditure):

Table 9 Summary of operating expenditure by standard classification item

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Expenditure By Type								
Employee related costs	75 075	87 629	99 527	110 559	110 559	117 689	126 605	135 937
Remuneration of councillors	4 922	4 899	5 314	6 554	6 554	7 016	7 373	7 783
Debt impairment	999	1 651	1 434	1 706	1 706	9 636	10 748	12 113
Depreciation & asset impairment	64 805	62 040	64 936	78 958	78 958	76 853	79 856	81 835
Finance charges	5 351	7 281	6 270	16 057	15 030	15 864	15 292	14 744
Bulk purchases	59 784	77 900	100 399	127 499	127 499	145 447	165 867	188 966
Other materials	–	–	–	–	–	–	–	–
Contracted services	2 798	2 790	2 884	3 236	3 216	3 345	3 506	3 595
Transfers and grants	1 210	1 157	1 084	1 296	1 296	1 363	1 403	1 403
Other expenditure	64 609	90 372	65 330	71 123	77 752	53 267	54 696	58 046
Loss on disposal of PPE	23	–	826	–	–	–	–	–
Total Expenditure	279 578	335 719	348 005	416 987	422 570	430 480	465 347	504 423

The budgeted allocation for employee related costs for the 2012/13 financial year totals R117,689 million, which equals 27.3 per cent of the total operating expenditure. This percentage declines to 27,2 and 27 per cent in the outer years of the MTREF period. The decline is mostly as a result of the increase in bulk purchases. Should electricity bulk purchases and depreciation be excluded, in order to compare it with other municipalities on an more equal basis, the costs represent 51,3 per cent of the expenditure and increase to 52,3 and 52,1 per cent in the outer years. Based on the guidance provided by National Treasury in Circular 58 and in the absence on a new collective agreement on increases, salary increases have been factored into this budget at a percentage increase of 5 per cent for the 2012/13 financial year. An annual increase of 5,5 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 96 per cent and the Debt Write-off Policy of the Municipality. For the 2012/13 financial year this amount equates to R9,6 million and escalates to R12,1 million by 2014/15. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R76,9 million for the 2012/13 financial and equates to 17,9 per cent of the total operating expenditure. In order to measure it against other municipalities, if electricity bulk purchases are eliminated, it represents 27 per cent of the expenditure. The average for local municipalities in the Western Cape is 11,76 per cent.

This difference is due to the application of a deemed cost in terms of Directive 7 issued by the Accounting Standards Board. Note that the implementation of GRAP 17 accounting standard has also meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 3,7 per cent (R15,9 million) of operating expenditure excluding annual redemption for 2012/13 and decreases to R14,7 million by 2014/15. As previously noted, the Municipality is limiting its borrowing in order to keep finance charges to the absolute minimum.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from the West Coast District Municipality. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. Electricity bulk purchases represents 28,9 per cent of expenditure and increase to 30,8 per cent and 32 per cent in the outer years. If depreciation is excluded, the percentage is 35,2 per cent for the budget year and increasing to 37,1 per cent and 38,3 per cent in the outer years. This compares unfavourably with the average of 23,6 per cent in 2010/2011 for the municipalities in the Western Cape and the municipality is currently investigating the reasons for this. If the tariff increase of ESKOM is taken into account, it can be deduced that the average for the Western Cape should be about 27,4 per cent, still leaving an excess of 7,8 per cent representing about R9,8 million.

National Treasury is introducing a new Chart of Accounts and additional expenditure line-items in the budget. One of these line-items is "Other materials". Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. This group of expenditure has been identified in order to measure sustainability of the Municipality's infrastructure. The municipality's financial systems are, however, not yet ready to implement this change and will be addressed in future budgets.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2012/13 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2012/13 financial year, this group of expenditure totals R3,3 million. Management identified Contracted Services as a possible key to the financial sustainability of the municipality, and will in the budget year further investigate similar projects. As part of the process of identifying further cost efficiencies, a business process re-engineering project will commence in the 2012/13 financial year to identify alternative practices and procedures, including possibly building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Contracted services currently consist of the following:

- Printing of Accounts
- Cleaning Services
- Cleaning Public Open Spaces
- Highlands Refuse Dump: Recycling
- Refuse Removal: RCK
- Sweeping of Streets

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2012/13 financial year.

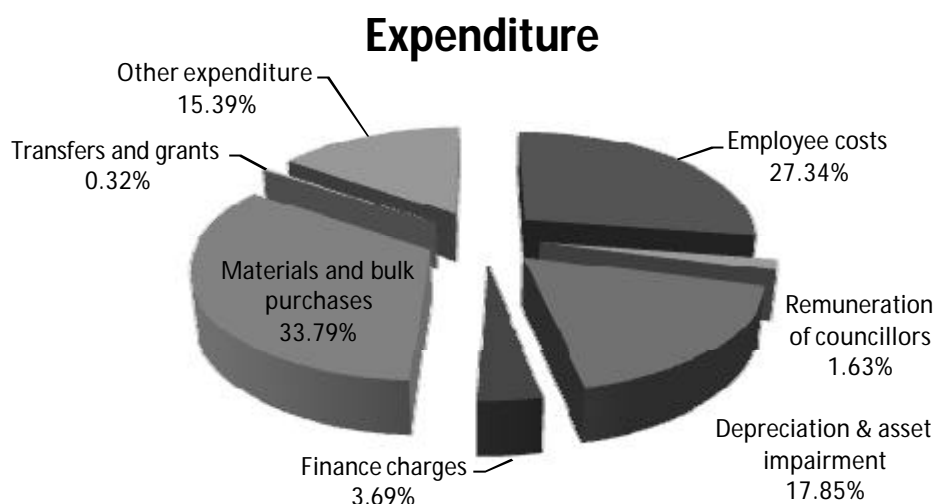


Figure 1 Main operational expenditure categories for the 2012/13 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2012/13 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset management policy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance. The municipality financial systems, as yet, cannot provide for this request and it will be implemented in future budgets.

During the compilation of the 2012/13 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, the municipality identified this, together with other strategic items, as priority to be investigated and changes to be incorporated into the next budget, if not already to the 2012/2013 Adjustments Budget. The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 10 Repairs and maintenance per asset class

Description R thousand	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
- Infrastructure	9 849	10 588	11 023	11 521
Infrastructure - Road transport	3 312	3 612	3 728	3 865
Infrastructure - Electricity	1 045	1 046	1 077	1 115
Infrastructure - Water	980	980	1 009	1 045
Infrastructure - Sanitation	1 713	1 676	1 726	1 786
Infrastructure – Other - Refuse	2 799	3 274	3 483	3 709
Community	935	808	832	861
Sports Fields & stadia	366	359	370	383
Swimming pools	61	85	88	91
Libraries	60	60	62	64
Recreational facilities	253	199	205	213
Fire, safety & emergency	18	18	19	19
Security and policing	50	2	2	2
Cemeteries	64	64	66	68
Social rental housing	63	20	21	21
Other assets	6 319	6 802	7 236	7 812
General vehicles	2 552	2 916	3 104	3 441
Plant & equipment	945	948	976	1 010
Furniture and other office equipment	1 313	1 349	1 520	1 668
Other Buildings	1 508	1 588	1 636	1 693
Total Repairs and Maintenance Expenditure	17 102	18 197	19 091	20 194
R&M as a % of PPE	1.0%	1.1%	1.1%	1.2%
R&M as % Operating Expenditure	4.0%	4.2%	4.1%	4.0%

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register all indigent households during the 2012/13 financial year, a process reviewed annually. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 21 MBRR A10 (Basic Service Delivery Measurement) on page 45.

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilising the municipality's unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The income foregone as a result of free basic services totals R23,9 million in the budget year and increasing to R 25,7million and 27,6 million in the outer years.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 11 2012/13 Medium-term capital budget per vote

Vote Description R thousand	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure - Vote						
<u>Multi-year expenditure to be appropriated</u>						
Vote 2 - Civil Services	29 227	56 853	53 965	37 507	32 822	7 000
Capital multi-year expenditure sub-total	29 227	56 853	53 965	37 507	32 822	7 000
<u>Single-year expenditure to be appropriated</u>						
Vote 1 - Corporate Services	219	148	148	269	156	159
Vote 2 - Civil Services	41 773	24 717	29 630	29 090	26 835	26 825
Vote 3 - Council	–	12	12	13	14	14
Vote 4 - Electricity Services	11 427	12 105	12 053	17 060	12 686	12 121
Vote 5 - Financial Services	1 128	701	785	1 011	1 298	1 266
Vote 6 - Development Services	668	566	1 171	823	276	280
Vote 7 - Municipal Manager	–	17	17	18	19	20
Vote 8 - Protection Services	1 266	1 230	1 830	1 058	457	703
Capital single-year expenditure sub-total	56 482	39 495	45 645	49 341	41 741	41 388
Total Capital Expenditure - Vote	85 708	96 349	99 611	86 848	74 563	48 388

The following table provides more information on the breakdown of the capital budget and the related maintenance of assets.

Description R thousand	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CAPITAL EXPENDITURE						
<u>Total Capital Expenditure</u>						
Infrastructure - Road transport	15 939	8 650	13 874	11 066	15 650	16 908
Infrastructure - Electricity	10 883	10 700	10 700	15 850	11 200	10 000
Infrastructure - Water	12 562	2 411	1 273	7 850	4 350	2 420
Infrastructure - Sanitation	32 604	56 853	53 965	37 607	32 822	8 200
Infrastructure - Other	–	–	–	200	2 500	–
Infrastructure	71 987	78 615	79 813	72 573	66 522	37 528
Community	195	650	2 686	2 109	–	–
Investment properties	1 818	–	–	–	–	–
Other assets	11 652	17 084	17 112	12 166	8 041	10 860
Intangibles	56	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	85 708	96 349	99 611	86 848	74 563	48 388

ASSET REGISTER SUMMARY - PPE (WDV)						
<i>Infrastructure - Road transport</i>	594 839	311 715	581 022	564 813	552 121	539 986
<i>Infrastructure - Electricity</i>	307 160	168 300	306 699	310 263	308 696	305 613
<i>Infrastructure - Water</i>	289 592	116 550	279 385	276 820	270 349	261 679
<i>Infrastructure - Sanitation</i>	281 556	117 247	319 722	346 850	368 783	365 824
<i>Infrastructure - Other</i>	1 308	660	1 308	1 437	3 862	3 786
Infrastructure	1 474 456	714 472	1 488 137	1 500 182	1 503 811	1 476 888
Community	49 210	18 184	51 896	50 430	46 716	42 910
Heritage assets	124	65	124	105	86	65
Investment properties	34 014	33 851	34 014	33 957	33 898	33 837
Other assets	168 494	769 392	172 780	172 302	167 205	164 601
Intangibles	128	78	128	98	66	33
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 726 426	1 536 041	1 747 079	1 757 075	1 751 781	1 718 335
EXPENDITURE OTHER ITEMS						
<u>Depreciation & asset impairment</u>	64 936	78 958	78 958	76 853	79 856	81 835
<u>Repairs and Maintenance by Asset Class</u>	15 431	16 802	17 102	18 197	19 091	20 194
<i>Infrastructure - Road transport</i>	3 544	3 312	3 312	3 612	3 728	3 865
<i>Infrastructure - Electricity</i>	1 023	945	1 045	1 046	1 077	1 115
<i>Infrastructure - Water</i>	764	820	980	980	1 009	1 045
<i>Infrastructure - Sanitation</i>	1 136	1 713	1 713	1 676	1 726	1 786
<i>Infrastructure - Other</i>	2 287	2 799	2 799	3 274	3 483	3 709
Infrastructure	8 754	9 589	9 849	10 588	11 023	11 521
Community	650	935	935	808	832	861
Other assets	6 027	6 279	6 319	6 802	7 236	7 812
TOTAL EXPENDITURE OTHER ITEMS	80 367	95 760	96 060	95 050	98 948	102 029

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 44 MBRR SA35 on page 92. Swartland cannot determine the future operational costs associated with the capital programmes due to the fact that the information is not readily available.

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2012/13 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 12 MBRR Table A1 - Budget Summary

WC015 Swartland - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands										
Financial Performance										
Property rates	47,963	51,835	56,669	58,908	58,908	58,908	58,908	67,476	72,142	77,274
Service charges	130,889	146,426	179,601	215,195	215,201	215,201	215,201	240,767	266,657	299,740
Investment revenue	18,327	13,372	11,326	16,058	16,058	16,058	16,058	12,023	10,819	9,893
Transfers recognised - operational	26,515	50,268	40,026	37,844	39,852	39,852	39,852	34,701	36,039	39,158
Other own revenue	36,888	29,080	35,884	30,126	29,415	29,415	29,415	30,505	27,975	28,718
Total Revenue (excluding capital transfers and contributions)	260,583	290,981	323,505	358,130	359,433	359,433	359,433	385,473	413,632	454,783
Employee costs	75,075	87,629	99,527	110,559	110,559	110,559	110,559	117,689	126,605	135,937
Remuneration of councillors	4,922	4,899	5,314	6,554	6,554	6,554	6,554	7,016	7,373	7,783
Depreciation & asset impairment	64,805	62,040	64,936	78,958	78,958	78,958	78,958	76,853	79,856	81,835
Finance charges	5,351	7,281	6,270	16,057	15,030	15,030	15,030	15,864	15,292	14,744
Materials and bulk purchases	59,784	77,900	100,399	127,499	127,499	127,499	127,499	145,447	165,867	188,966
Transfers and grants	1,210	1,157	1,084	1,296	1,296	1,296	1,296	1,363	1,403	1,403
Other expenditure	68,430	94,813	70,475	76,065	82,675	82,675	82,675	66,247	68,950	73,754
Total Expenditure	279,578	335,719	348,005	416,987	422,570	422,570	422,570	430,480	465,347	504,423
Surplus/(Deficit)	(18,996)	(44,738)	(24,499)	(58,857)	(63,137)	(63,137)	(63,137)	(45,007)	(51,714)	(49,639)
Transfers recognised - capital	17,757	17,835	35,385	13,224	14,046	14,046	14,046	19,480	15,322	16,208
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1,239)	(26,903)	10,886	(45,633)	(49,091)	(49,091)	(49,091)	(25,527)	(36,392)	(33,431)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1,239)	(26,903)	10,886	(45,633)	(49,091)	(49,091)	(49,091)	(25,527)	(36,392)	(33,431)
Capital expenditure & funds sources										
Capital expenditure	50,696	40,711	85,708	96,349	99,611	99,611	99,611	86,848	74,563	48,388
Transfers recognised - capital	17,757	17,835	35,385	13,224	14,046	14,046	14,046	19,480	15,322	16,208
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	9,066	-	-	78,673	41,991	41,991	41,991	22,948	17,500	8,200
Internally generated funds	23,873	22,877	50,323	4,452	43,573	43,573	43,573	44,420	41,741	23,980
Total sources of capital funds	50,696	40,711	85,708	96,349	99,611	99,611	99,611	86,848	74,563	48,388

Financial position										
Total current assets	233,568	236,408	215,264	238,535	255,964	255,964	255,964	216,792	181,318	178,276
Total non current assets	1,530,616	1,709,451	1,726,907	1,536,522	1,747,560	1,747,560	1,747,560	1,757,528	1,752,205	1,718,735
Total current liabilities	56,345	58,226	54,305	52,477	54,141	54,141	54,141	55,648	55,638	58,410
Total non current liabilities	91,599	88,770	78,116	188,056	187,912	187,912	187,912	182,728	178,333	172,480
Community wealth/Equity	1,616,241	1,798,864	1,809,750	1,534,523	1,761,471	1,761,471	1,761,471	1,735,945	1,699,552	1,666,121
Cash flows										
Net cash from (used) operating	69,366	31,463	71,618	24,531	37,219	37,219	37,219	51,551	39,554	45,893
Net cash from (used) investing	(50,036)	(37,121)	(79,266)	(89,345)	(92,607)	(92,607)	(92,607)	(80,459)	(71,763)	(45,873)
Net cash from (used) financing	44,073	(3,849)	(13,366)	100,810	100,718	100,718	100,718	(6,233)	(6,418)	(6,537)
Cash/cash equivalents at the year end	197,766	188,259	167,244	195,557	212,573	212,573	212,573	177,433	138,805	132,288
Cash backing/surplus reconciliation										
Cash and investments available	197,766	188,259	167,244	195,557	212,573	212,573	212,573	177,433	138,805	132,288
Application of cash and investments	16,039	6,469	(1,805)	162,492	146,641	146,641	146,641	152,465	137,754	133,439
Balance - surplus (shortfall)	181,728	181,790	169,049	33,065	65,932	65,932	65,932	24,968	1,051	(1,151)
Asset management										
Asset register summary (WDV)	1,529,981	1,708,928	1,726,426	1,536,041	1,747,079	1,747,079	1,757,075	1,757,075	1,751,781	1,718,335
Depreciation & asset impairment	64,805	62,040	64,936	78,958	78,958	78,958	76,853	76,853	79,856	81,835
Renewal of Existing Assets	50,696	40,711	85,708	96,349	99,611	99,611	99,611	86,848	74,563	48,388
Repairs and Maintenance	13,710	13,484	15,431	16,802	17,102	17,102	18,197	18,197	19,091	20,194
Free services										
Cost of Free Basic Services provided	-	910	1,130	860	860	860	969	969	969	969
Revenue cost of free services provided	-	12,948	16,066	10,306	10,306	10,306	12,663	12,663	13,974	15,545
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	1	1	1	1	1	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was paying much attention to managing this aspect of its finances, and consequently all of its obligations are cash-backed.

Note:

In terms of circular 58, section 6.7 which deals with the budgeting for internal charges, Swartland does not include internal charges on their Aschedules, monthly reports and submissions to the Local Government Database, thus not overstating their revenues and expenditures.

With internal charges included			
	Medium Term Revenue and Expenditure		
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Total Revenue (excluding capital transfers and contributions)	394,231	424,131	454,783
Total Expenditure	439,238	475,845	516,436
Surplus/(Deficit)	(45,007)	(51,714)	(49,639)
Transfers recognised - capital	19,480	15,322	16,208
Surplus/(Deficit) for the year	(25,527)	(36,392)	(33,431)
Surplus/(Deficit) after capital transfers & contributions	(25,527)	(36,392)	(33,431)

With internal charges excluded			
	Medium Term Revenue and Expenditure		
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Total Revenue (excluding capital transfers and contributions)	385,473	413,632	454,783
Total Expenditure	430,480	465,347	504,423
Surplus/(Deficit)	(45,007)	(51,714)	(49,639)
Transfers recognised - capital	19,480	15,322	16,208
Surplus/(Deficit) after capital transfers & contributions	(25,527)	(36,392)	(33,431)
Surplus/(Deficit) for the year	(25,527)	(36,392)	(33,431)

Table 13 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**WC015 Swartland - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description R thousand	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard							
<i>Governance and administration</i>	151,820	123,434	121,314	121,314	122,217	115,776	120,745
Executive and council	199	1,444	1,444	1,444	2,541	2,890	3,755
Budget and treasury office	151,621	121,990	119,870	119,870	119,676	112,886	116,990
Corporate services	-	-	-	-	-	-	-
<i>Community and public safety</i>	8,751	7,704	11,049	11,049	11,588	12,194	12,535
Community and social services	1,364	1,319	4,664	4,664	5,253	5,559	5,585
Sport and recreation	2,063	2,100	2,100	2,100	2,056	2,159	2,267
Public safety	5,072	4,025	4,025	4,025	4,028	4,229	4,439
Housing	252	260	260	260	251	247	244
Health	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	7,510	6,564	6,564	6,564	6,769	7,131	7,484
Planning and development	1,993	1,127	1,127	1,127	1,312	1,374	1,440
Road transport	5,517	5,437	5,437	5,437	5,456	5,756	6,044
Environmental protection	-	-	-	-	-	-	-
<i>Trading services</i>	190,793	233,635	234,535	234,535	264,362	293,834	330,206
Electricity	125,291	156,081	156,081	156,081	171,059	189,313	210,152
Water	27,156	29,793	29,793	29,793	35,245	40,306	48,496
Waste water management	25,085	28,355	28,355	28,355	32,939	37,580	43,289
Waste management	13,262	19,406	20,306	20,306	25,119	26,636	28,270
<i>Other</i>	16	18	18	18	18	19	21
Total Revenue - Standard	358,891	371,354	373,479	373,479	404,953	428,954	470,991
Expenditure - Standard							
<i>Governance and administration</i>	74,943	79,981	85,004	85,004	73,525	77,349	81,830
Executive and council	15,704	18,156	18,617	18,617	18,305	19,627	20,618
Budget and treasury office	59,239	61,824	66,386	66,386	55,220	57,722	61,212
Corporate services	-	-	-	-	-	-	-
<i>Community and public safety</i>	38,311	43,869	44,147	44,147	46,769	49,929	52,775
Community and social services	8,347	9,510	9,647	9,647	10,289	11,050	11,761
Sport and recreation	11,550	14,921	14,973	14,973	15,610	16,528	17,192
Public safety	17,302	18,181	18,245	18,245	19,670	21,045	22,431
Housing	1,112	1,257	1,282	1,282	1,200	1,306	1,390
Health	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	51,373	54,946	56,193	56,193	54,336	56,897	59,303
Planning and development	7,601	8,017	8,917	8,917	7,638	8,478	9,013
Road transport	43,772	46,929	47,276	47,276	46,698	48,419	50,290
Environmental protection	-	-	-	-	-	-	-
<i>Trading services</i>	182,524	237,209	236,244	236,244	254,809	280,099	309,408
Electricity	108,939	137,415	137,948	137,948	152,751	173,549	194,263
Water	37,396	40,912	41,176	41,176	42,310	45,089	50,602
Waste water management	18,949	40,031	38,158	38,158	38,078	39,182	40,696
Waste management	17,241	18,851	18,962	18,962	21,669	22,278	23,846
<i>Other</i>	854	984	984	984	1,041	1,073	1,107
Total Expenditure - Standard	348,005	416,987	422,570	422,570	430,480	465,347	504,423
Surplus/(Deficit) for the year	10,886	(45,633)	(49,091)	(49,091)	(25,527)	(36,392)	(33,431)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity and Waste Management (Refuse) functions, but not the Water and Waste Water management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 14 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote						
Vote 1 -Corporate Services	1 408	1 480	4 688	5 453	5 778	5 819
Vote 2 -Civil Services	67 316	78 923	79 823	94 676	105 985	121 585
Vote 3 -Council	52	1 384	1 384	2 492	2 840	3 703
Vote 4 -Electricity Services	125 291	156 081	156 081	171 059	189 313	210 152
Vote 5 -Financial Services	150 667	121 078	118 958	118 724	111 885	115 939
Vote 6 -Development Services	3 866	2 905	3 042	3 158	3 296	3 442
Vote 7 -Municipal Manager	–	–	–	–	–	–
Vote 8 -Protection Services	10 291	9 503	9 503	9 391	9 859	10 351
Total Revenue by Vote	358 891	371 354	373 479	404 953	428 954	470 991
Expenditure by Vote to be appropriated						
Vote 1 -Corporate Services	14 264	15 626	15 949	16 556	17 927	18 895
Vote 2 -Civil Services	137 791	171 402	170 447	170 867	178 058	189 092
Vote 3 -Council	7 426	9 586	9 580	9 523	10 033	10 551
Vote 4 -Electricity Services	108 939	137 415	137 948	152 751	173 549	194 263
Vote 5 -Financial Services	44 517	44 793	49 385	40 174	42 226	45 347
Vote 6 -Development Services	10 709	11 901	12 963	11 920	13 069	13 806
Vote 7 -Municipal Manager	2 955	3 257	3 257	3 578	3 742	3 964
Vote 8 -Protection Services	21 402	23 007	23 041	25 111	26 742	28 505
Total Expenditure by Vote	348 005	416 987	422 570	430 480	465 347	504 423
Surplus/(Deficit) for the year	10 886	(45 633)	(49 091)	(25 527)	(36 392)	(33 431)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Revenue By Source</u>						
Property rates	56 669	58 908	58 908	67 476	72 142	77 274
Property rates - penalties & collection charges	-	-	-	-	-	-
Service charges - electricity revenue	124 534	154 563	154 569	169 402	187 451	208 045
Service charges - water revenue	25 671	27 180	27 180	32 285	36 925	44 594
Service charges - sanitation revenue	16 797	19 630	19 630	20 934	23 467	27 138
Service charges - refuse revenue	12 599	13 821	13 821	18 147	18 814	19 963
Rental of facilities and equipment	2 405	2 262	2 262	2 407	2 521	2 642
Interest earned - external investments	11 326	16 058	16 058	12 023	10 819	9 893
Interest earned - outstanding debtors	1 187	1 222	1 222	1 195	1 225	1 255
Fines	5 052	4 036	4 036	4 040	4 241	4 453
Licences and permits	2 713	2 729	2 729	2 724	2 860	3 003
Agency services	2 301	2 414	2 414	2 416	2 536	2 663
Transfers recognised - operational	40 026	37 844	39 852	34 701	36 039	39 158
Other revenue	15 939	9 754	9 042	11 360	11 807	12 204
Gains on disposal of PPE	6 287	7 708	7 708	6 365	2 785	2 498
Total Revenue (excluding capital transfers and contributions)	323 505	358 130	359 433	385 473	413 632	454 783
<u>Expenditure By Type</u>						
Employee related costs	99 527	110 559	110 559	117 689	126 605	135 937
Remuneration of councillors	5 314	6 554	6 554	7 016	7 373	7 783
Debt impairment	1 434	1 706	1 706	9 636	10 748	12 113
Depreciation & asset impairment	64 936	78 958	78 958	76 853	79 856	81 835
Finance charges	6 270	16 057	15 030	15 864	15 292	14 744
Bulk purchases	100 399	127 499	127 499	145 447	165 867	188 966
Contracted services	2 884	3 236	3 216	3 345	3 506	3 595
Transfers and grants	1 084	1 296	1 296	1 363	1 403	1 403
Other expenditure	65 330	71 123	77 752	53 267	54 696	58 046
Loss on disposal of PPE	826	-	-	-	-	-
Total Expenditure	348 005	416 987	422 570	430 480	465 347	504 423
Surplus/(Deficit)	(24 499)	(58 857)	(63 137)	(45 007)	(51 714)	(49 639)
Transfers recognised - capital	35 385	13 224	14 046	19 480	15 322	16 208
Surplus/(Deficit) for the year	10 886	(45 633)	(49 091)	(25 527)	(36 392)	(33 431)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue, including capital transfers, is R405 million in 2012/13 and escalates to R429 million by 2014/15. This represents a year-on-year increase of 7,7 per cent for the 2012/13, 5,6 per cent for the 2013/14 financial year and 8,9 per cent for the 2014/15 financial year.
2. Revenue to be generated from property rates is R67,5 million in the 2012/13 financial year and increases to R77,2 million by 2014/15 which represents 17,5 per cent of the operating revenue base (excluding capital transfers) of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the

medium-term and tariff increases have been factored in at 6 per cent, 6 per cent and 6,5 per cent for each of the respective financial years of the MTREF.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R240,7 million for the 2012/13 financial year and increasing to R300 million by 2014/15. For the 2012/13 financial year services charges amount to 62 per cent of the total revenue base and grows by 2 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. Transfers are fluctuating according to grants provided for by the respective governments.
5. The following graph illustrates the major expenditure items per type.

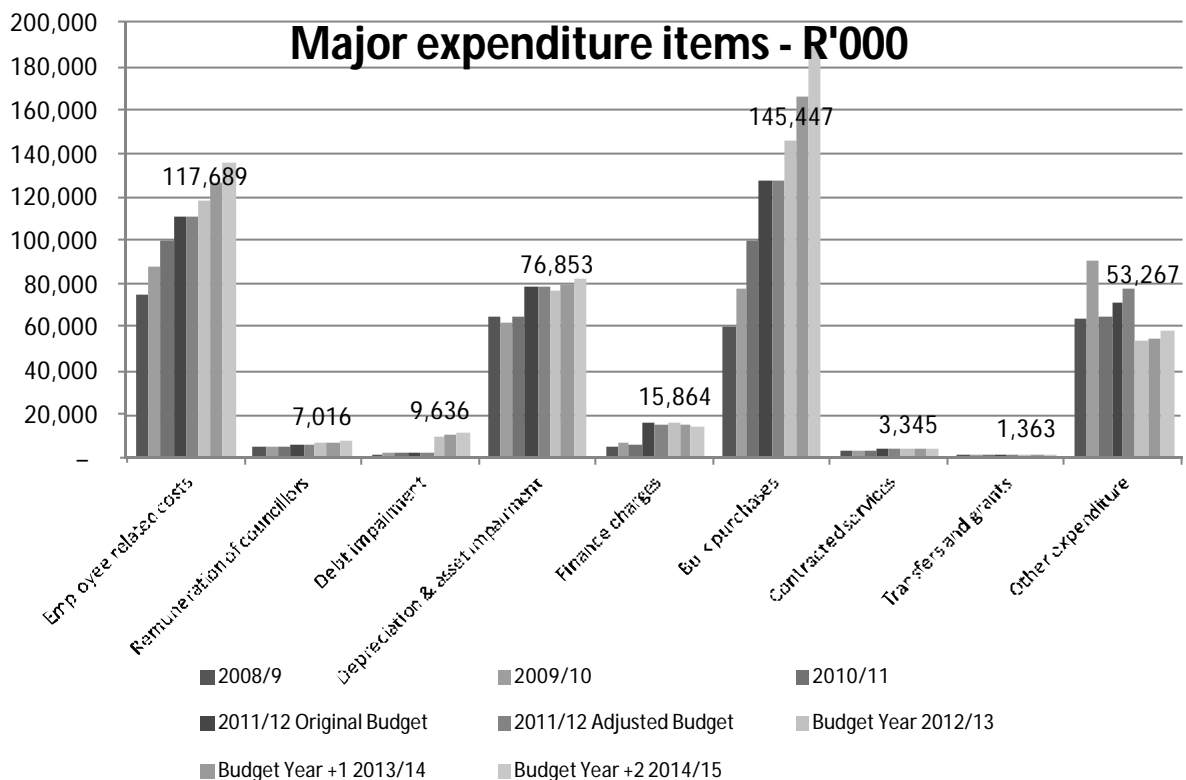


Figure 2 Expenditure by major type

6. Bulk purchases have significantly increased over the 2008/09 to 2012/13 period escalating from R59,8 million to R145,4 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from West Coast District Municipality.
7. Employee related costs, depreciation and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**WC015 Swartland - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description R thousand	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure - Vote						
Multi-year expenditure to be appropriated						
Vote 2 - Civil Services	29 227	56 853	53 965	37 507	32 822	7 000
Capital multi-year expenditure sub-total	29 227	56 853	53 965	37 507	32 822	7 000
Single-year expenditure to be appropriated						
Vote 1 - Corporate Services	219	148	148	269	156	159
Vote 2 - Civil Services	41 773	24 717	29 630	29 090	26 835	26 825
Vote 3 - Council	-	12	12	13	14	14
Vote 4 - Electricity Services	11 427	12 105	12 053	17 060	12 686	12 121
Vote 5 - Financial Services	1 128	701	785	1 011	1 298	1 266
Vote 6 - Development Services	668	566	1 171	823	276	280
Vote 7 - Municipal Manager	-	17	17	18	19	20
Vote 8 - Protection Services	1 266	1 230	1 830	1 058	457	703
Capital single-year expenditure sub-total	56 482	39 495	45 645	49 341	41 741	41 388
Total Capital Expenditure - Vote	85 708	96 349	99 611	86 848	74 563	48 388
Capital Expenditure - Standard						
Governance and administration	3 258	777	1 065	1 275	1 387	1 359
Executive and council	-	28	28	31	33	34
Budget and treasury office	414	42	42	326	198	741
Corporate services	2 844	707	995	918	1 156	584
Community and public safety	5 582	2 873	4 911	5 041	808	1 513
Community and social services	-	166	166	747	176	180
Sport and recreation	3 710	1 477	2 915	2 685	175	630
Public safety	1 266	1 230	1 830	1 058	457	703
Housing	607	-	-	550	-	-
Health	-	-	-	-	-	-
Economic and environmental services	17 365	11 639	16 967	13 495	16 253	19 729
Planning and development	61	500	1 105	200	200	200
Road transport	17 304	11 139	15 862	13 295	16 053	19 529
Environmental protection	-	-	-	-	-	-
Trading services	59 503	81 060	76 668	67 037	56 115	25 788
Electricity	11 427	12 105	12 053	17 060	12 686	12 121
Water	12 923	3 171	2 107	8 013	4 447	2 488
Waste water management	32 779	60 300	57 372	39 779	34 394	9 886
Waste management	2 373	5 484	5 136	2 186	4 589	1 293
Other	-	-	-	-	-	-
Total Capital Expenditure - Standard	85 708	96 349	99 611	86 848	74 563	48 388
Funded by:						
National Government	9 870	11 974	12 046	18 025	15 322	16 208
Provincial Government	25 516	1 250	1 250	116	-	-
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	750	1 339	-	-
Transfers recognised - capital	35 385	13 224	14 046	19 480	15 322	16 208
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	78 673	41 991	22 948	17 500	8 200
Internally generated funds	50 323	4 452	43 573	44 420	41 741	23 980
Total Capital Funding	85 708	96 349	99 611	86 848	74 563	48 388

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2012/13 R37,5 million has been allocated of the total R86,8 million capital budget, which totals 43 per cent. This allocation reduces to R32,8 million in 2013/14 and then to R7 million in 2014/15 owing primarily to the fact that various projects reach completion in 2012/13 hence the spike in expenditure in year two.
3. Single-year capital expenditure has been appropriated at R49,3 million for the 2012/13 financial year and remains relatively constant over the MTREF at levels of R41,7 million and R41,4 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital program is funded from capital and provincial grants and transfers, borrowing and internally generated funds from current and prior year surpluses and is listed below:

<u>Capital expenditure & funds sources</u>						
Capital expenditure	85 708	96 349	99 611	86 848	74 563	48 388
Transfers recognised - capital	35 385	13 224	14 046	19 480	15 322	16 208
Borrowing	–	78 673	41 991	22 948	17 500	8 200
Internally generated funds	50 323	4 452	43 573	44 420	41 741	23 980
Total sources of capital funds	85 708	96 349	99 611	86 848	74 563	48 388

Table 17 MBRR Table A6 - Budgeted Financial Position

WC015 Swartland - Table A6 Budgeted Financial Position

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
ASSETS										
Current assets										
Cash	197 766	188 259	95 403	3 180	27 188	27 188	27 188	28 805	15 040	31 523
Call investment deposits	–	–	71 841	192 377	185 385	185 385	185 385	148 628	123 765	100 765
Consumer debtors	27 655	30 095	35 700	32 290	32 703	32 703	32 703	28 315	31 084	34 163
Other debtors	3 113	13 545	8 037	6 510	6 510	6 510	6 510	6 835	7 177	7 536
Current portion of long-term receivables	57	10	11	25	25	25	25	14	14	10
Inventory	4 977	4 499	4 272	4 154	4 154	4 154	4 154	4 195	4 237	4 279
Total current assets	233 568	236 408	215 264	238 535	255 964	255 964	255 964	216 792	181 318	178 276
Non current assets										
Long-term receivables	276	266	255	243	243	243	243	229	214	200
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	33 292	33 943	34 014	33 851	34 014	34 014	34 014	33 957	33 898	33 837
Investment in Associate	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	1 496 589	1 674 887	1 692 284	1 502 112	1 712 937	1 712 937	1 712 937	1 723 020	1 717 818	1 684 465
Agricultural	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	99	98	128	78	128	128	128	98	66	33
Other non-current assets	359	256	226	238	238	238	238	224	210	200
Total non current assets	1 530 616	1 709 451	1 726 907	1 536 522	1 747 560	1 747 560	1 747 560	1 757 528	1 752 205	1 718 735
TOTAL ASSETS	1 764 184	1 945 859	1 942 171	1 775 057	2 003 524	2 003 524	2 003 524	1 974 320	1 933 523	1 897 011
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	3 321	4 695	4 583	6 448	5 750	5 750	5 750	5 176	3 634	4 000
Consumer deposits	4 898	5 415	5 792	5 670	6 420	6 420	6 420	6 741	7 078	7 432
Trade and other payables	46 726	46 339	41 993	38 829	40 041	40 041	40 041	41 801	42 996	45 048
Provisions	1 400	1 777	1 937	1 530	1 930	1 930	1 930	1 930	1 930	1 930
Total current liabilities	56 345	58 226	54 305	52 477	54 141	54 141	54 141	55 648	55 638	58 410
Non current liabilities										
Borrowing	67 362	62 799	49 167	161 572	161 428	161 428	161 428	155 449	150 236	142 978
Provisions	24 237	25 971	28 949	26 485	26 485	26 485	26 485	27 279	28 097	29 502
Total non current liabilities	91 599	88 770	78 116	188 056	187 912	187 912	187 912	182 728	178 333	172 480
TOTAL LIABILITIES	147 944	146 996	132 421	240 533	242 053	242 053	242 053	238 376	233 971	230 890
NET ASSETS	1 616 241	1 798 864	1 809 750	1 534 523	1 761 471	1 761 471	1 761 471	1 735 945	1 699 552	1 666 121
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	1 613 412	1 797 378	1 809 124	1 372 211	1 615 814	1 615 814	1 615 814	1 590 493	1 567 782	1 537 446
Reserves	2 828	1 485	626	162 313	145 657	145 657	145 657	145 452	131 770	128 675
Minorities' interests	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1 616 241	1 798 864	1 809 750	1 534 523	1 761 471	1 761 471	1 761 471	1 735 945	1 699 552	1 666 121

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 48 is supported by an extensive table of notes (SA3 which can be found on page 103) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 18 MBRR Table A7 - Budgeted Cash Flow Statement

WC015 Swartland - Table A7 Budgeted Cash Flows

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	215,750	211,613	268,478	293,534	292,828	326,824	350,145	387,694
Government - operating	26,515	50,268	40,026	37,844	39,852	34,701	36,039	39,158
Government - capital	17,757	17,835	35,385	13,224	14,046	19,480	15,322	16,208
Interest	18,327	13,372	11,326	16,058	16,058	12,023	10,819	9,893
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(202,422)	(253,186)	(276,244)	(318,776)	(309,239)	(324,250)	(356,075)	(390,913)
Finance charges	(5,351)	(7,281)	(6,270)	(16,057)	(15,030)	(15,864)	(15,292)	(14,744)
Transfers and Grants	(1,210)	(1,157)	(1,084)	(1,296)	(1,296)	(1,363)	(1,403)	(1,403)
NET CASH FROM/(USED) OPERATING ACTIVITIES	69,366	31,463	71,618	24,531	37,219	51,551	39,554	45,893
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	126	3,389	6,383	6,957	6,957	6,365	2,785	2,498
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	533	201	60	46	46	25	15	18
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	(50,696)	(40,711)	(85,708)	(96,349)	(99,611)	(86,969)	(74,563)	(48,388)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(50,036)	(37,121)	(79,266)	(89,345)	(92,607)	(80,580)	(71,763)	(45,873)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	46,743	100	17	105,000	105,000	-	-	-
Increase (decrease) in consumer deposits	346	517	377	270	1,020	321	337	354
Payments								
Repayment of borrowing	(3,017)	(4,466)	(13,761)	(4,460)	(5,302)	(6,553)	(6,755)	(6,891)
NET CASH FROM/(USED) FINANCING ACTIVITIES	44,073	(3,849)	(13,366)	100,810	100,718	(6,233)	(6,418)	(6,537)
NET INCREASE/ (DECREASE) IN CASH HELD	63,402	(9,507)	(21,015)	35,996	45,330	(35,262)	(38,628)	(6,517)
Cash/cash equivalents at the year begin:	134,364	197,766	188,259	159,561	167,244	212,573	177,312	138,684
Cash/cash equivalents at the year end:	197,766	188,259	167,244	195,557	212,573	177,312	138,684	132,167

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality fell significantly over the 2008/09 to 2010/11 period owing directly to a net decrease in cash for the 2008/09 financial year of R72 million. It further increases during the current financial year due to the raising of the R105 million loan, and then reduces again in the budget year as the loan is utilized. From 2012/2013 the negative cashflows continue, as cash generated by operations exceeds the capital expenditure. The municipality is currently busy analyzing this data in order to strategise accordingly and to stabilize the cashflows.
4. The 2012/13 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R177 million as at the end of the 2012/13 financial year and decreases to R132 million by 2014/15.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

WC015 Swartland - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available								
Cash/cash equivalents at the year end	167,244	195,557	212,573	212,573	212,573	177,433	138,805	132,288
Other current investments > 90 days	(0)	0	0	0	0	0	0	0
Non current assets - Investments	-	-	-	-	-	-	-	-
Cash and investments available:	167,244	195,557	212,573	212,573	212,573	177,433	138,805	132,288
Application of cash and investments								
Unspent conditional transfers	3,182	150	1,362	1,362	1,362	1,962	1,962	1,962
Unspent borrowing	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-
Other working capital requirements	(5,613)	29	(379)	(379)	(379)	5,051	4,022	2,802
Other provisions	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	626	162,313	145,657	145,657	145,657	145,452	131,770	128,675
Total Application of cash and investments:	(1,805)	162,492	146,641	146,641	146,641	152,465	137,754	133,439
Surplus(shortfall)	169,049	33,065	65,932	65,932	65,932	24,968	1,051	(1,151)

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". The municipality's budget is cash-funded and thus in compliance with the requirements of the MFMA.
4. As part of the budgeting and planning guidelines that informed the compilation of the 2012/13 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 20 MBRR Table A9 - Asset Management

Description R thousand	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CAPITAL EXPENDITURE						
<u>Total Capital Expenditure</u>						
Infrastructure - Road transport	15 939	8 650	13 874	11 066	15 650	16 908
Infrastructure - Electricity	10 883	10 700	10 700	15 850	11 200	10 000
Infrastructure - Water	12 562	2 411	1 273	7 850	4 350	2 420
Infrastructure - Sanitation	32 604	56 853	53 965	37 607	32 822	8 200
Infrastructure - Other	-	-	-	200	2 500	-
Infrastructure	71 987	78 615	79 813	72 573	66 522	37 528
Community	195	650	2 686	2 109	-	-
Investment properties	1 818	-	-	-	-	-
Other assets	11 652	17 084	17 112	12 166	8 041	10 860
Intangibles	56	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	85 708	96 349	99 611	86 848	74 563	48 388
ASSET REGISTER SUMMARY - PPE (WDV)						
Infrastructure - Road transport	594 839	311 715	581 022	564 813	552 121	539 986
Infrastructure - Electricity	307 160	168 300	306 699	310 263	308 696	305 613
Infrastructure - Water	289 592	116 550	279 385	276 820	270 349	261 679
Infrastructure - Sanitation	281 556	117 247	319 722	346 850	368 783	365 824
Infrastructure - Other	1 308	660	1 308	1 437	3 862	3 786
Infrastructure	1 474 456	714 472	1 488 137	1 500 182	1 503 811	1 476 888
Community	49 210	18 184	51 896	50 430	46 716	42 910
Heritage assets	124	65	124	105	86	65
Investment properties	34 014	33 851	34 014	33 957	33 898	33 837
Other assets	168 494	769 392	172 780	172 302	167 205	164 601
Intangibles	128	78	128	98	66	33
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 726 426	1 536 041	1 747 079	1 757 075	1 751 781	1 718 335
EXPENDITURE OTHER ITEMS						
<u>Depreciation & asset impairment</u>	64 936	78 958	78 958	76 853	79 856	81 835
<u>Repairs and Maintenance by Asset Class</u>	15 431	16 802	17 102	18 197	19 091	20 194
Infrastructure - Road transport	3 544	3 312	3 312	3 612	3 728	3 865
Infrastructure - Electricity	1 023	945	1 045	1 046	1 077	1 115
Infrastructure - Water	764	820	980	980	1 009	1 045
Infrastructure - Sanitation	1 136	1 713	1 713	1 676	1 726	1 786
Infrastructure - Other	2 287	2 799	2 799	3 274	3 483	3 709
Infrastructure	8 754	9 589	9 849	10 588	11 023	11 521
Community	650	935	935	808	832	861
Other assets	6 027	6 279	6 319	6 802	7 236	7 812
TOTAL EXPENDITURE OTHER ITEMS	80 367	95 760	96 060	95 050	98 948	102 029
<i>Renewal of Existing Assets as % of total capex</i>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Renewal of Existing Assets as % of deprecn"</i>	132.0%	122.0%	126.2%	113.0%	93.4%	59.1%
<i>R&M as a % of PPE</i>	0.9%	1.1%	1.0%	1.1%	1.1%	1.2%
<i>Renewal and R&M as a % of PPE</i>	6.0%	7.0%	7.0%	6.0%	5.0%	4.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's the maintenance backlog and also the effect of using a deemed cost for infrastructure unbundling valuations.

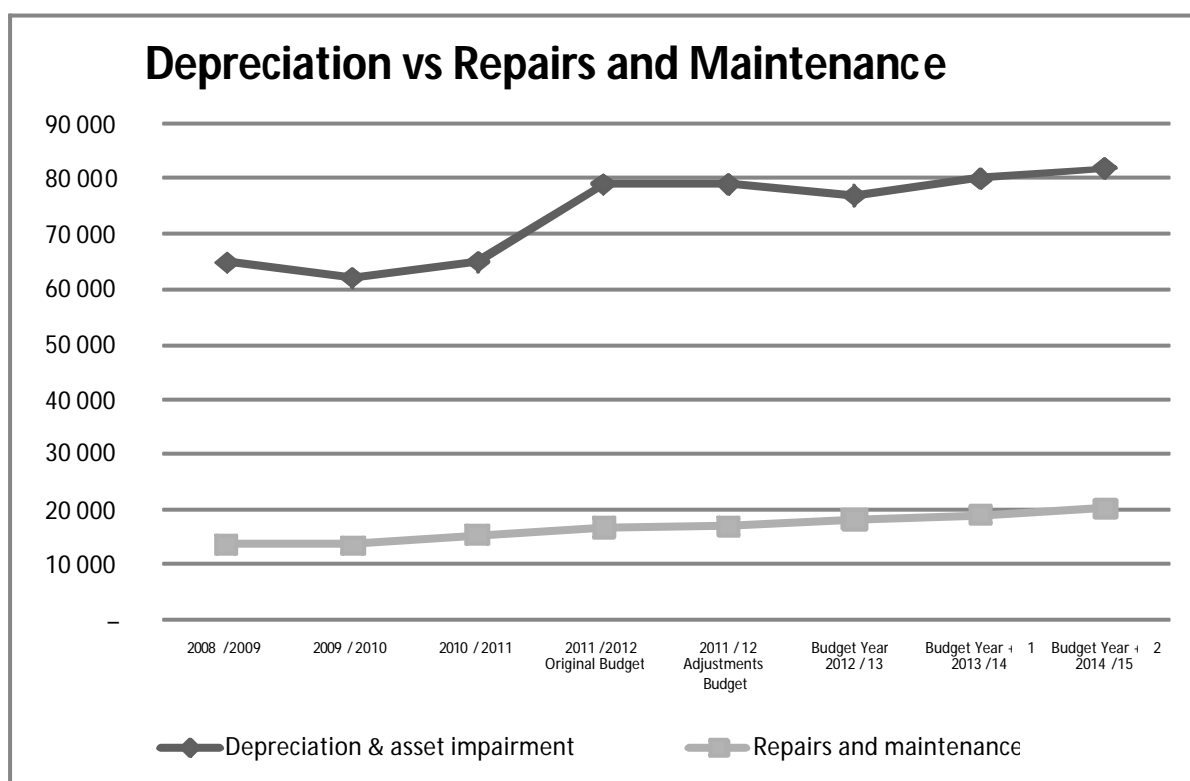


Figure 3 Depreciation in relation to repairs and maintenance over the MTREF

Table 21 MBRR Table A10 – Basic Service Delivery Measurement

WC015 Swartland - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
Water:										
Piped water inside dwelling			17,580	17,626	17,780	17,780	17,780	18,448	18,448	18,448
Piped water inside yard (but not in dwelling)			-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2		-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4		-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	17,580	17,626	17,780	17,780	17,780	18,448	18,448	18,448
Using public tap (< min.service level)	3		-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4		-	-	-	-	-	-	-	-
No water supply			-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	17,580	17,626	17,780	17,780	17,780	18,448	18,448	18,448
Sanitation/sewerage:										
Flush toilet (connected to sewerage)			14,940	14,979	15,528	15,528	15,528	16,511	16,511	16,511
Flush toilet (with septic tank)			820	820	727	727	727	727	727	727
Chemical toilet			-	-	-	-	-	-	-	-
Pit toilet (ventilated)			-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)			-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	15,760	15,799	16,255	16,255	16,255	17,238	17,238	17,238
Bucket toilet			-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)			-	-	-	-	-	-	-	-
No toilet provisions			-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	15,760	15,799	16,255	16,255	16,255	17,238	17,238	17,238
Energy:										
Electricity (at least min.service level)			5,670	5,677	5,619	5,619	5,619	5,619	5,619	5,619
Electricity - prepaid (min.service level)			7,680	8,292	8,384	8,384	8,384	8,629	8,629	8,629
<i>Minimum Service Level and Above sub-total</i>		-	13,350	13,969	14,003	14,003	14,003	14,248	14,248	14,248
Electricity (< min.service level)			-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)			-	-	-	-	-	-	-	-
Other energy sources			1,050	1,100	1,116	1,116	1,116	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	1,050	1,100	1,116	1,116	1,116	-	-	-
Total number of households	5	-	14,400	15,069	15,119	15,119	15,119	14,248	14,248	14,248

<u>Refuse:</u>									
Removed at least once a week		17,250	17,296	17,442	17,442	17,442	18,346	18,346	18,346
<i>Minimum Service Level and Above sub-total</i>	-	17,250	17,296	17,442	17,442	17,442	18,346	18,346	18,346
Removed less frequently than once a week		-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	5	-	17,250	17,296	17,442	17,442	17,442	18,346	18,346
<u>Households receiving Free Basic Service</u>	7								
Water (6 kilolitres per household per month)		4,690	4,957	4,428	4,428	4,428	4,822	4,822	4,822
Sanitation (free minimum level service)		4,100	4,719	4,259	4,259	4,259	4,647	4,647	4,647
Electricity/other energy (50kwh per household per month)		3,580	4,131	3,064	3,064	3,064	4,564	4,564	4,564
Refuse (removed at least once a week)		4,690	4,963	4,432	4,432	4,432	4,830	4,830	4,830
<u>Cost of Free Basic Services provided (R'000)</u>	8								
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		105	136	55	55	55	58	58	58
Electricity/other energy (50kwh per household per month)		391	496	408	408	408	441	441	441
Refuse (removed once a week)		134	150	99	99	99	146	146	146
Total cost of FBS provided (minimum social package)	-	910	1,130	860	860	860	969	969	969
<u>Highest level of free service provided</u>									
Property rates (R value threshold)		75,500	75,500	100,000	100,000	100,000	100,000	100,000	100,000
Water (kilolitres per household per month)		10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		83	96	110	110	110	127	146	171
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50
Refuse (average litres per week)		60	67	75	75	75	83	88	94

Revenue cost of free services provided (R'000)	9								
Property rates (R15 000 threshold rebate)		-	319	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		2,025	2,189	1,800	1,800	1,800	1,872	1,947	2,025
Water		1,254	1,630	550	550	550	670	786	931
Sanitation		4,693	5,954	3,403	3,403	3,403	4,266	4,930	5,748
Electricity/other energy		1,604	1,805	1,150	1,150	1,150	1,899	2,118	2,364
Refuse		3,372	4,169	3,403	3,403	3,403	3,956	4,192	4,477
Municipal Housing - rental rebates	6	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Total revenue cost of free services provided									
(total social package)		-	12,948	16,066	10,306	10,306	10,306	12,663	13,974
									15,545

Part 2 – Supporting Documentation

26.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

26.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 25 August 2011. Key dates applicable to the process were:

- **August 2011** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2012/13 MTREF;
- **November 2011** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **3 to 7 January 2012** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations ;
- **January 2012** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **26 January 2012** - Council considers the 2011/12 Mid-year Review and Adjustments Budget;

- **February 2012** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2012/13 MTREF is revised accordingly;
- **29 March 2012** - Tabling in Council of the draft 2012/13 IDP and 2012/13 MTREF for public consultation;
- **April 2012** – Public consultation;
- **6 May 2012** - Closing date for written comments ;
- **6 to 21 May 2012** – finalisation of the 2012/13 IDP and 2012/13 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework ; and
- **31 May 2012** - Tabling of the 2012/13 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

26.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the new five year Integrated Development Plan (IDP) that will be valid for the period 2012 to 2017 (third generation). The process of compiling the IDP started in September 2011 after the tabling in August of the IDP Process Plan for 2012-2017 and the budget time schedule for the 2012/13 financial year.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP document is submitted together with the budget to Council (see part of the item that deals with the IDP).

26.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2012/13 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2012/13 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2010/11 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;

- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

26.1.4 Community Consultation

The community will be consulted in April 2012, after the Draft budget has been approved by council.

26.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 22 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

WC015 Swartland - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

2011/12 Swaziland - Supporting Table S44 Reconciliation for Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand													
Basic service delivery and infrastructure development	To lead and manage the Civil Engineering Services Department effectively and efficiently			0	-		-	-	-	-	-	-	
Basic service delivery and infrastructure development	To provide adequate, affordable and well maintained civil engineering services to the municipal area			42,182	48,046		59,068	59,068	59,068	69,097	78,865	92,807	
Basic service delivery and infrastructure development	To provide an adequate and affordable cleaning services to the municipal area			12,556	14,473		19,406	20,306	20,306	25,119	26,636	28,270	
Basic service delivery and infrastructure development	To ensure that council's building infrastructure is sufficient and properly maintained			434	2,878		450	450	450	460	484	508	
Basic service delivery and infrastructure development	To lead and manage the Electrical Engineering Services Department effectively and efficiently			-	-		-	-	-	-	-	-	
Basic service delivery and infrastructure development	To provide adequate, affordable, safe and well maintained electricity to the municipal area			82,000	104,519		156,081	156,081	156,081	171,059	189,313	210,152	
Basic service delivery and infrastructure development	To lead and manage the Protection Services Department effectively and efficiently			-	-		-	-	-	-	-	-	
Basic service delivery and infrastructure development	To promote and maintain a safe environment			8,952	11,615		9,503	9,503	9,503	9,391	9,859	10,351	
Basic service delivery and infrastructure development	To lead and manage the Development Services Department effectively and efficiently			1	1		1	1	1	1	1	1	
Basic service delivery and infrastructure development	To promote social development in the municipal area			17	-		-	137	137	-	-	-	
Basic service delivery and infrastructure development	To ensure sound management of the urban and rural environment			903	1,283		1,127	1,127	1,127	1,312	1,374	1,440	
Basic service delivery and infrastructure development	To promote an improved quality of life for all			1,275	1,445		1,517	1,517	1,517	1,594	1,673	1,757	
Basic service delivery and infrastructure development	To provide effective and sustainable housing delivery and management			2,080	266		260	260	260	251	247	244	
Institutional Development and Municipal Transformation	To lead and manage the Corporate Services Department effectively and efficiently			187	371		60	60	60	49	50	52	
Institutional Development and Municipal Transformation	To ensure an effective and client orientated municipal administration			311	1,019		958	4,166	4,166	4,913	5,210	5,224	
Institutional Development and Municipal Transformation	To promote a well-trained, motivated and professional workforce in a positive working environment			292	329		462	462	462	492	518	543	
Financial viability and management	To lead and manage the Financial Services Department effectively and efficiently			36,585	18,080		31,841	27,934	27,934	25,347	18,740	16,317	
Financial viability and management	To ensure financial viability and sustainability			89,634	121,530		89,237	91,024	91,024	73,897	77,823	83,414	
Good governance and community participation	To ensure an economical, effective, efficient and accountable organisation			316	110		1,384	1,384	1,384	2,492	2,840	3,703	
Good governance and community participation	To ensure effective strategic management			-	-		-	-	-	-	-	-	
Good governance and community participation	To ensure proper and up-to-date information communication technology systems and processes			-	-		-	-	-	-	-	-	
Local economic development	To promote local economic development			-	-		-	-	-	-	-	-	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	277,724	325,967	-	371,354	373,479	373,479	385,473	413,632	454,783

Table 23 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

WC015 Swartland - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand													
Basic service delivery and infrastructure development	To lead and manage the Civil Engineering Services Department effectively and efficiently			1,649	1,760		2,160	2,160	2,160	2,297	2,512	2,684	
Basic service delivery and infrastructure development	To provide adequate, affordable and well maintained civil engineering services to the municipal area			66,397	108,039		133,677	136,088	136,088	136,632	142,848	152,051	
Basic service delivery and infrastructure development	To provide an adequate and affordable cleaning services to the municipal area			13,172	15,374		18,851	18,912	18,912	21,669	22,278	23,846	
Basic service delivery and infrastructure development	To ensure that council's building infrastructure is sufficient and properly maintained			5,655	12,306		18,176	13,237	13,237	10,270	10,420	10,510	
Basic service delivery and infrastructure development	To lead and manage the Electrical Engineering Services Department effectively and efficiently			-	-		-	-	-	-	-	-	
Basic service delivery and infrastructure development	To provide adequate, affordable, safe and well maintained electricity to the municipal area			60,957	102,227		138,225	137,998	137,998	152,751	173,549	194,263	
Basic service delivery and infrastructure development	To lead and manage the Protection Services Department effectively and efficiently			846	945		1,079	1,079	1,079	1,158	1,227	1,301	
Basic service delivery and infrastructure development	To promote and maintain a safe environment			15,172	17,810		21,364	21,962	21,962	23,953	25,514	27,204	
Basic service delivery and infrastructure development	To lead and manage the Development Services Department effectively and efficiently			1,245	980		1,164	1,164	1,164	1,375	1,507	1,597	
Basic service delivery and infrastructure development	To promote social development in the municipal area			1,284	1,169		1,629	1,814	1,814	2,122	2,275	2,427	
Basic service delivery and infrastructure development	To ensure sound management of the urban and rural environment			3,447	3,877		5,857	6,757	6,757	5,341	5,967	6,328	
Basic service delivery and infrastructure development	To promote an improved quality of life for all			1,316	1,517		1,945	1,946	1,946	1,883	2,015	2,064	
Basic service delivery and infrastructure development	To provide effective and sustainable housing delivery and management			1,421	1,609		1,083	1,282	1,282	1,200	1,306	1,390	
Institutional Development and Municipal Transformation	To lead and manage the Corporate Services Department effectively and efficiently			5,979	5,094		5,671	6,397	6,397	6,102	6,808	7,084	
Institutional Development and Municipal Transformation	To ensure an effective and client orientated municipal administration			5,177	5,996		7,013	7,162	7,162	7,426	7,910	8,410	
Institutional Development and Municipal Transformation	To promote a well-trained, motivated and professional workforce in a positive working environment			1,193	1,841		2,533	2,389	2,389	3,028	3,209	3,400	
Financial viability and management	To lead and manage the Financial Services Department effectively and efficiently			12,085	14,275		20,119	23,552	23,552	27,463	29,816	31,956	
Financial viability and management	To ensure financial viability and sustainability			19,876	49,016		17,888	19,088	19,088	7,232	6,418	6,942	
Good governance and community participation	To ensure an economical, effective, efficient and accountable organisation			11,362	11,820		12,844	12,837	12,837	13,101	13,775	14,515	
Good governance and community participation	To ensure effective strategic management			-	-		-	-	-	-	-	-	
Good governance and community participation	To ensure proper and up-to-date information communication technology systems and resources			4,054	4,603		5,711	6,745	6,745	5,478	5,992	6,449	
Local economic development	To promote local economic development			-	-		-	-	-	-	-	-	
Allocations to other priorities													
Total Expenditure				1	232,285	360,258	-	416,987	422,570	422,570	430,480	465,347	504,423

Table 24 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

WC015 Swartland - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand													
Basic service delivery and infrastructure development	To lead and manage the Civil Engineering Services Department effectively and efficiently	A		215	132		157	157	157	173	182	191	
Basic service delivery and infrastructure development	To provide adequate, affordable and well maintained civil engineering services to the municipal area	B		24,124	23,879		75,629	78,497	78,497	64,010	54,887	32,342	
Basic service delivery and infrastructure development	To provide an adequate and affordable cleaning services to the municipal area	C		–	1,821		5,784	4,997	4,997	2,186	4,589	1,293	
Basic service delivery and infrastructure development	To ensure that council's building infrastructure is sufficient and properly maintained	D		482	391		–	84	84	228	–	–	
Basic service delivery and infrastructure development	To lead and manage the Electrical Engineering Services Department effectively and efficiently	E		–	–		–	–	–	–	–	–	
Basic service delivery and infrastructure development	To provide adequate, affordable, safe and well maintained electricity to the municipal area	F		8,980	3,924		12,105	12,053	12,053	17,060	12,836	12,271	
Basic service delivery and infrastructure development	To lead and manage the Protection Services Department effectively and efficiently	G		57	57		110	110	110	578	457	463	
Basic service delivery and infrastructure development	To promote and maintain a safe environment	H		54	1,054		1,120	1,460	1,460	480	–	240	
Basic service delivery and infrastructure development	To lead and manage the Development Services Department effectively and efficiently	I		36	31		66	66	66	–	–	–	
Basic service delivery and infrastructure development	To promote social development in the municipal area	J		–	110		500	1,105	1,105	273	276	280	
Basic service delivery and infrastructure development	To ensure sound management of the urban and rural environment	K		802	37		–	–	–	–	–	–	
Basic service delivery and infrastructure development	To promote an improved quality of life for all	L		–	–		–	–	–	–	–	–	
Basic service delivery and infrastructure development	To provide effective and sustainable housing delivery and management	M		14,964	6,355		–	–	–	550	–	–	
Institutional Development and Municipal Transformation	To lead and manage the Corporate Services Department effectively and efficiently	N		37	194		48	48	48	53	56	59	
Institutional Development and Municipal Transformation	To ensure an effective and client orientated municipal administration	O		99	374		100	220	220	216	100	100	
Institutional Development and Municipal Transformation	To promote a well-trained, motivated and professional workforce in a positive environment	P		–	–		–	–	–	–	–	–	
Financial viability and management	To lead and manage the Financial Services Department effectively and efficiently	Q		132	104		42	42	42	46	48	51	
Financial viability and management	To ensure financial viability and sustainability	R		153	532		12	84	84	130	–	540	
Good governance and community participation	To ensure an economical, effective, efficient and accountable organisation	S		2	19		17	28	28	31	33	34	
Good governance and community participation	To ensure effective strategic management	T		–	–		–	–	–	–	–	–	
Good governance and community participation	To ensure proper and up-to-date information communication technology	U		1,560	810		659	659	659	835	1,100	525	
Local economic development	To promote local economic development	V		–	–		–	–	–	–	–	–	
Allocations to other priorities				3									
Total Capital Expenditure				1	51,696	39,824	–	96,349	99,611	99,611	86,848	74,563	48,388

26.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

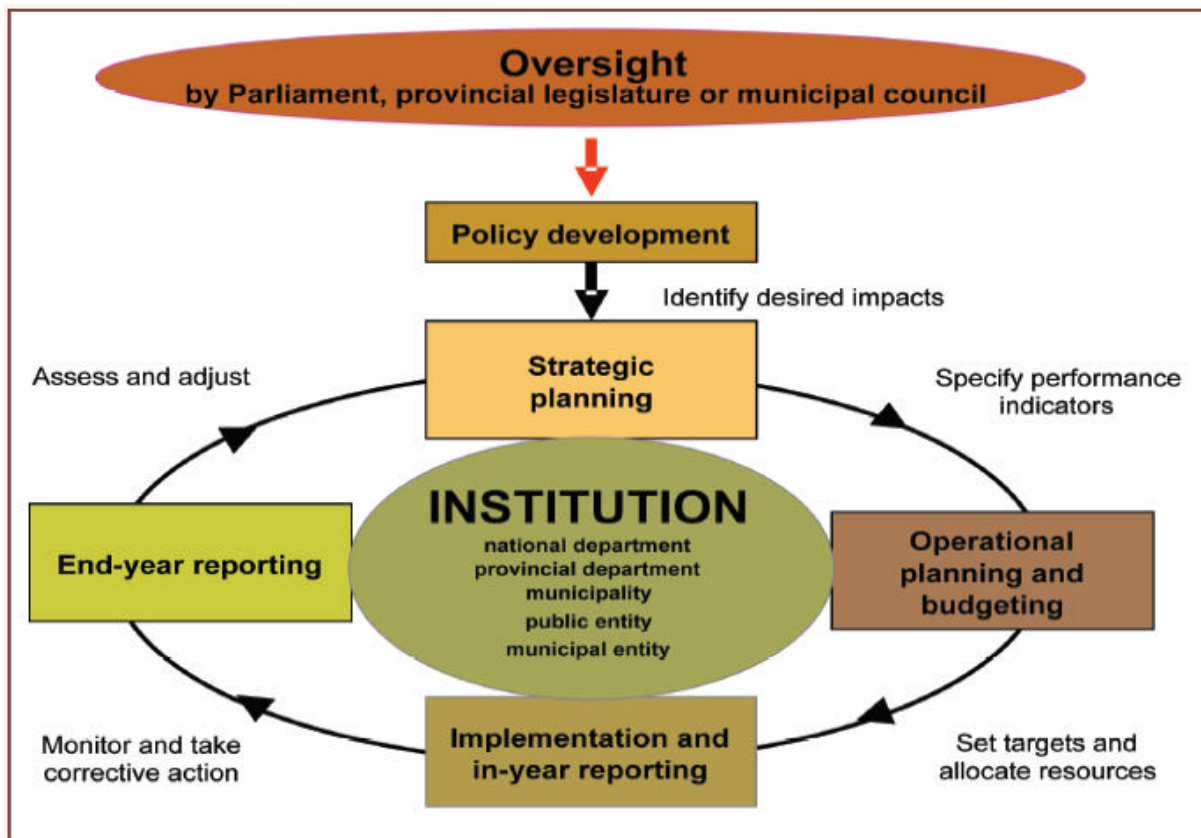


Figure 4 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

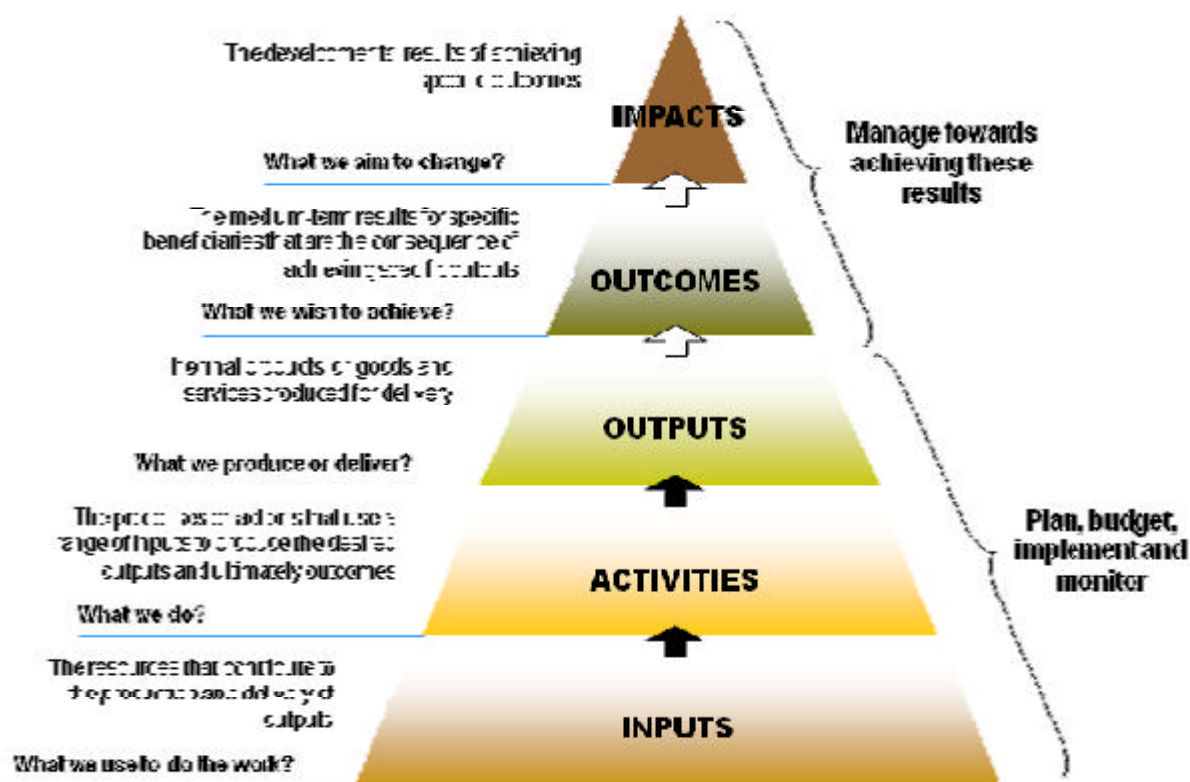


Figure 5 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 25 MBRR Table SA7 - Measurable performance objectives

WC015 Swartland - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13 Medium Term Revenue & Expenditure Framework		
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Civil Services				
To lead and manage the Civil Engineering Services Department effectively and efficiently	Completion of project			
<i>To ensure high quality civil engineering services</i>		173,030	181,682	190,766
To provide adequate, affordable and well maintained civil engineering services to the municipal area	Completion of project			
<i>To develop and maintain the urban road network in all towns</i>		11,962,113	15,221,413	18,638,000
<i>To ensure a high quality and environmentally sound sewerage service</i>		39,778,970	34,393,500	9,885,650
<i>To ensure sufficient cemetery facilities exists in the municipal area</i>		458,500	-	-
<i>To optimally maintain all urban open spaces</i>		820,000	125,000	630,000
<i>To promote recreation through access to high quality sports facilities</i>		1,817,433	50,000	-
<i>To provide a high quality water service and access to all residents</i>		8,013,000	4,447,000	2,488,000
<i>To reduce flooding damage through storm water management in all towns</i>		1,160,000	650,000	700,000
To provide an adequate and affordable cleaning services to the municipal area	Completion of project			
<i>To ensure a clean and healthy environment through the provision of a high quality cleaning</i>		2,185,500	4,588,900	1,292,640
To ensure that council's building infrastructure is sufficient and properly maintained	Completion of project			
<i>To ensure that council's building infrastructure</i>		228,000	-	-
Electrical Services				
To lead and manage the Electrical Engineering Services Department effectively and efficiently	Completion of project			
<i>To ensure effective and efficient electrical engineering services</i>		460,000	465,500	1,321,275
To provide adequate, affordable, safe and well maintained electricity to the municipal area	Completion of project			
<i>To provide a quality and safe electricity service that is at all times operational with well maintained infrastructure</i>		16,600,000	12,220,000	10,800,000

WC015 Swartland - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13 Medium Term Revenue & Expenditure Framework		
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Protection Services				
To promote and maintain a safe environment	Completion of project			
To promote a safe environment by the provision of a municipal police service		1,058,000	457,050	703,403
Development Services				
To lead and manage the Development Services Department effectively and efficiently	Completion of project			
To ensure effective and efficient development services		272,600	276,230	280,042
To provide effective and sustainable housing delivery and management	Completion of project			
To manage settlement development in a strategic and sustainable manner for optimal benefit		550,000	-	-
Corporate Services				
To lead and manage the Corporate Services Department effectively and efficiently	Completion of project			
To ensure effective and efficient corporate services		53,240	55,902	58,697
To ensure an effective and client orientated municipal administration	Completion of project			
To ensure effective library services in the		116,000	-	-
To manage facilities in a financially sustainable		100,000	100,000	100,000
Financial Services				
To lead and manage the Financial Services Department effectively and efficiently	Completion of project			
To ensure effective and efficient financial management		175,980	48,279	590,693
To ensure financial viability and sustainability	Completion of project			
To ensure that council's assets are managed in a legally compliant manner		12,947	13,594	14,274
MM				
To ensure an economical, effective, efficient and accountable organisation	Completion of project			
To ensure an economical, effective, efficient and accountable organisation		18,150	19,058	20,010
To ensure proper and up-to-date information communication technology systems and processes	Completion of project			
To ensure that the council provides sufficient IT services and access		835,000	1,250,000	675,000
And so on for the rest of the Votes				

The following table sets out the municipalities main performance objectives and benchmarks for the 2012/13 MTREF.

Table 26 MBRR Table SA8 - Performance indicators and benchmarks

WC015 Swartland - Supporting Table SA8 Performance indicators and benchmarks

WILLIS SWARNAND - Supporting Table 5: Key Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>											
Credit Rating					A3	A3	A3	A3			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3.0%	3.5%	5.8%	4.9%	4.8%	4.8%	4.8%	5.2%	4.7%	4.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.6%	4.9%	7.1%	6.4%	6.4%	6.4%	6.4%	6.4%	5.8%	5.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	141.9%	0.4%	0.0%	126.3%	122.7%	122.7%	122.7%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	2381.9%	4227.6%	7857.1%	99.5%	110.8%	110.8%	110.8%	106.9%	114.0%	111.1%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	4.1	4.1	4.0	4.5	4.7	4.7	4.7	3.9	3.3	3.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4.1	4.1	4.0	4.5	4.7	4.7	4.7	3.9	3.3	3.1
Liquidity Ratio	Monetary Assets/Current Liabilities	3.5	3.2	3.1	3.7	3.9	3.9	3.9	3.2	2.5	2.3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		108.2%	94.3%	101.0%	99.0%	99.0%	99.0%	99.0%	98.3%	96.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			108.0%	94.2%	101.0%	99.0%	99.0%	99.0%	99.0%	98.3%	96.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	11.9%	15.1%	13.6%	10.9%	11.0%	11.0%	11.0%	9.2%	9.3%	9.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		17.8%	22.7%	23.2%	19.8%	18.2%	18.2%	18.2%	22.5%	29.6%	32.6%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	9.7%	8.6%	7.6%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	19.6%	14.0%	16.0%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%	16.8%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.8%	30.1%	30.8%	30.9%	30.8%	30.8%	30.8%	30.5%	30.6%	29.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.7%	31.8%	32.4%	32.7%	32.6%	32.6%		32.4%	32.4%	31.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.3%	4.6%	4.8%	4.7%	4.8%	4.8%		4.7%	4.6%	4.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	26.9%	23.8%	22.0%	26.5%	26.1%	26.1%	26.1%	24.1%	23.0%	21.2%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	13.1	9.6	13.8	15.0	15.0	15.0	17.2	20.0	22.5	24.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.0%	21.8%	18.3%	14.0%	14.2%	14.2%	14.2%	11.3%	11.2%	11.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	13.7	10.5	8.8	8.1	8.7	8.7	8.7	6.8	4.8	4.2

26.3.1 Performance indicators and benchmarks

26.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Swartland Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2012/13 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has decreased from 5.2 per cent in 2012/13, to 4.3 per cent in 2014/15. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality has reached its prudential borrowing limits.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 0 per cent.

Various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2012/13 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

26.3.1.2 Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. While the gearing ratio is 106.9 per cent in the 2012/13 financial year, the medium term strategy is to steadily reduce the gearing ratio to a level that does not exceed 50 per cent as a prudential limit. The ratio increases to 114 per cent by 2013/14 and then decreases again to 111.1 per cent in 2014/15.

26.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2012/13 MTREF the current ratio is 1.2 in the 2012/13 financial year and an average of 3.2 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For 2012/13 financial year the ratio is 3.2, decreases to 2.5 in 2013/14 and 2.3 in 2014/15 financial year. This

needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

26.3.1.4 Revenue Management

- The municipality has, as a long-term goal, a financially sound municipality with acceptable levels of services at affordable tariffs. The current financial position is sound, but there is a decline in the cash position over the MTREF period and the aim is to stabilize and even improve the cash position while also continuing to deliver quality services to its community. As part of the financial plan's strategy, critical actions have been identified and need to be addressed in order to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

26.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

26.3.1.6 Other Indicators

- The electricity distribution losses have been managed downwards from 7.6 per cent in the 2010/11 financial year to 7 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have increased slightly from 16 per cent in 2010/11 to 16.8 per cent in 2011/12. This has been achieved with the introduction of a water leakage report and action centre. We are currently investigating ways to help reduce water distribution losses over the MTREF period.
- Employee costs as a percentage of operating revenue is 30.5 per cent in 2012/13, increases to 30.6 per cent in 2013/14 and then decreases again to 29.9 per cent in 2014/15. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

26.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2012/13 financial year 4830 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 10kl free water, 50 kwh of electricity per month, free sanitation and four free waste removals per month, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 21 MBRR A10 (Basic Service Delivery Measurement) on page 45.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water throughstand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997. The West Coast District Municipality acts as the Water Services Provider and operates and maintains the Water Treatment Works. All of the bulk water needs are provided directly by West Coast District Municipality in the form of purified water.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Swartland Municipality were awarded a Blue Drop score of 92.89 % in 2011 indicating that the Municipality's management of drinking water services is of exceptional quality.

Swartland Municipality received an overall Green Drop status of 72.7 % for 2011, indicating that the municipality meets waste water treatment standards of an adequate quality. The upgrading of Malmesbury WWTW and the new Riebeeck Valley WWTW will contribute greatly to increase the Green Drop Scoring. Malmesbury WWTW is well into the construction phase. Riebeeck Valley WWTW contract will be awarded in December 2012 and planned completion is scheduled for February 2014.

The following is briefly the main challenges facing the Municipality with regards to water services.

- Increased hydraulic and biological loading inhibits the oxidation pond system's performance significantly.
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- With some of the WWTW stormwater entering the works causes a significant hydraulic overload.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget.
- Officials are sent for training in water services courses.

26.4 Overview of budget related policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

26.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy was approved by Council in June 2011 and is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services.

The 2012/13 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 96 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

26.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

26.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

26.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in June 2011. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

26.4.5 Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Virement Policy was approved by Council in June 2011 and revised in May 2012.

26.4.6 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy were amended by Council in June 2011. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

26.4.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

26.5 Overview of budget assumptions

26.5.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2013 will be minimal with a slightly better growth in the outer years.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

26.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2012/13 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

26.5.3 Credit rating outlook

Table 27 Credit rating as conducted by Moody's – May 2011

Security class	Currency	Rating	Annual rating 2009/10	Previous Rating
Medium-term	Rand	A3	May 2011	None
Outlook	Rand	Stable	May 2011	None

26.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2012/13 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2012/13 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

26.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (96 per cent) of annual billings. Cash flow is assumed to be 96 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash inflow once the performance has been carefully monitored.

26.5.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

26.5.7 Salary increases

There is no collective agreement on salary increases in place for the budget year, and the guidance on increases as contained in Circular 58 of National Treasury was used to budget accordingly.

26.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

26.5.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2012/13 MTREF of which performance has been factored into the cash flow budget.

26.6 Overview of budget funding

26.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium -term:

Figure 6 Breakdown of the operating revenue over the medium-term

Description R thousand	2012/13 Medium Term Revenue & Expenditure Framework					
	Budget Year	%	Budget Year	%	Budget Year	%
	2012/13		+1 2013/14		+2 2014/15	
Property rates	67,476	17.5%	72,142	17.4%	77,274	17.0%
Service charges	240,767	62.5%	266,657	64.5%	299,740	65.9%
Investment revenue	12,023	3.1%	10,819	2.6%	9,893	2.2%
Transfers recognised - operational	34,701	9.0%	36,039	8.7%	39,158	8.6%
Other own revenue	30,505	7.9%	27,975	6.8%	28,718	6.3%
Total Revenue (excluding capital transfers and contributions)	385,473	100%	413,632	100%	454,783	100%
Total Expenditure	430,480		465,347		504,423	
Surplus/(Deficit)	(45,007)		(51,714)		(49,639)	

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 96 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;

- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Investment revenue contributes marginally to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 28 MBRR SA15 – Detail Investment Information

WC015 Swartland - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	71,841	192,377	185,385	185,385	148,628	123,765	100,765
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	71,841	192,377	185,385	185,385	148,628	123,765	100,765
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	71,841	192,377	185,385	185,385	148,628	123,765	100,765

Table 29 MBRR SA16 – Investment particulars by maturity

WC015 Swartland - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months								Rand thousand	
Parent municipality											
ABSA			Call Account	Yes	Variable	5.25%	0	N/A	N/A	148,628	2,100
Municipality sub-total										148,628	2,100
Entities											
None											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									148,628	2,100

26.6.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 30 MBRR Table A7 - Budget cash flow statement

WC015 Swartland - Table A7 Budgeted Cash Flows

Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	215,750	211,613	268,478	293,534	292,828	326,824	350,145	387,694
Government - operating	26,515	50,268	40,026	37,844	39,852	34,701	36,039	39,158
Government - capital	17,757	17,835	35,385	13,224	14,046	19,480	15,322	16,208
Interest	18,327	13,372	11,326	16,058	16,058	12,023	10,819	9,893
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(202,422)	(253,186)	(276,244)	(318,776)	(309,239)	(324,250)	(356,075)	(390,913)
Finance charges	(5,351)	(7,281)	(6,270)	(16,057)	(15,030)	(15,864)	(15,292)	(14,744)
Transfers and Grants	(1,210)	(1,157)	(1,084)	(1,296)	(1,296)	(1,363)	(1,403)	(1,403)
NET CASH FROM/(USED) OPERATING ACTIVITIES	69,366	31,463	71,618	24,531	37,219	51,551	39,554	45,893
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	126	3,389	6,383	6,957	6,957	6,365	2,785	2,498
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	533	201	60	46	46	25	15	18
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments								
Capital assets	(50,696)	(40,711)	(85,708)	(96,349)	(99,611)	(86,969)	(74,563)	(48,388)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(50,036)	(37,121)	(79,266)	(89,345)	(92,607)	(80,580)	(71,763)	(45,873)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	46,743	100	17	105,000	105,000	-	-	-
Increase (decrease) in consumer deposits	346	517	377	270	1,020	321	337	354
Payments								
Repayment of borrowing	(3,017)	(4,466)	(13,761)	(4,460)	(5,302)	(6,553)	(6,755)	(6,891)
NET CASH FROM/(USED) FINANCING ACTIVITIES	44,073	(3,849)	(13,366)	100,810	100,718	(6,233)	(6,418)	(6,537)
NET INCREASE/ (DECREASE) IN CASH HELD	63,402	(9,507)	(21,015)	35,996	45,330	(35,262)	(38,628)	(6,517)
Cash/cash equivalents at the year begin:	134,364	197,766	188,259	159,561	167,244	212,573	177,312	138,684
Cash/cash equivalents at the year end:	197,766	188,259	167,244	195,557	212,573	177,312	138,684	132,167

26.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 31 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

WC015 Swartland - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand								
Cash and investments available								
Cash/cash equivalents at the year end	167,244	195,557	212,573	212,573	212,573	177,433	138,805	132,288
Other current investments > 90 days	(0)	0	0	0	0	0	0	0
Non current assets - Investments	-	-	-	-	-	-	-	-
Cash and investments available:	167,244	195,557	212,573	212,573	212,573	177,433	138,805	132,288
Application of cash and investments								
Unspent conditional transfers	3,182	150	1,362	1,362	1,362	1,962	1,962	1,962
Unspent borrowing	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-
Other working capital requirements	(5,613)	29	(379)	(379)	(379)	5,051	4,022	2,802
Other provisions	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	626	162,313	145,657	145,657	145,657	145,452	131,770	128,675
Total Application of cash and investments:	(1,805)	162,492	146,641	146,641	146,641	152,465	137,754	133,439
Surplus(shortfall)	169,049	33,065	65,932	65,932	65,932	24,968	1,051	(1,151)

From the above table it can be seen that the cash and investments available total 177,3 million in the 2012/13 financial year and progressively decrease to R132,2 million by 2014/15, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2010/11 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be at least 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations. The 34 municipality's levels are for 4 months.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy.

26.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 32 MBRR SA10 – Funding compliance measurement

WC015 Swartland Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	197,766	188,259	167,244	195,557	212,573	212,573	212,573	177,312	138,684	132,167
Cash + investments at the yr end less applications - R'000	18(1)b	2	181,728	181,790	169,049	33,065	65,932	65,932	65,932	24,847	930	(1,272)
Cash year end/monthly employee/supplier payments	18(1)b	3	13.7	10.5	8.8	8.1	8.7	8.7	8.7	6.8	4.8	4.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(1,239)	(26,903)	10,886	(45,633)	(49,091)	(49,091)	(49,091)	(25,527)	(36,392)	(33,431)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	4.9%	13.2%	10.0%	(6.0%)	(6.0%)	(6.0%)	6.5%	3.9%	5.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	108.0%	94.2%	101.0%	99.0%	99.0%	99.0%	99.0%	98.3%	96.2%	96.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.6%	0.8%	0.6%	0.6%	0.6%	0.6%	0.6%	3.1%	3.1%	3.2%
Capital payments % of capital expenditure	18(1)c:19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	141.9%	0.4%	0.0%	126.3%	122.7%	122.7%	122.7%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	41.6%	0.2%	(11.3%)	1.1%	0.0%	0.0%	(10.4%)	8.8%	9.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(3.6%)	(4.2%)	(4.9%)	0.0%	0.0%	0.0%	(5.7%)	(6.6%)	(6.5%)
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.9%	0.8%	0.9%	1.1%	1.0%	1.0%	1.1%	1.1%	1.1%	1.2%
Asset renewal % of capital budget	20(1)(vi)	14	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%

26.6.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2012/13 MTREF shows R177,3 million, R138,7 million and R132,2 million for each respective financial year.

26.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

26.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been falling significantly for the period 2007/08 to 2010/11, but it is stabilising in the outer years and still above 4 months' provision. This measure will have to be carefully monitored going forward.

26.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2012/13 MTREF the indicative outcome is a deficit of R26 million, R36 million and R33 million.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

26.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 6.5, 3.9 and 5.3 per cent for the respective financial year of the 2012/13 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 5 per cent, with the increase in electricity at 16 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

26.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 98.3, 96.2 and 96.1 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 96 per cent performance target, the cash flow

statement has been conservatively determined. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

26.6.4.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 3.1, 3.1 and 3.0 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

26.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

26.6.4.9 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

26.6.4.10 Consumer debtors change (Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors' accounts within 30 days.

26.6.4.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Due to the use of a deemed cost for infrastructure valuations, this percentage seems very low. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 10 on page 24.

26.6.4.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which

was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

26.7 Expenditure on grants and reconciliations of unspent funds

Table 33 MBRR SA19 - Expenditure on transfers and grant programmes

WC015 Swartland - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		16,039	17,397	26,040	24,927	23,434	23,434	29,802	31,017	34,123
Local Government Equitable Share		14,676	16,065	24,635	22,887	20,585	20,585	26,752	28,867	31,723
Municipal Systems Improvement		807	639	735	790	1,243	1,243	800	900	950
Finance Management		556	693	670	1,250	1,605	1,605	1,250	1,250	1,450
DME		-	-	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	-	-	-	1,000	-	-
Other transfers/grants [insert description]										
Provincial Government:		10,433	31,801	13,898	12,917	16,338	16,338	4,899	5,022	5,035
Community Development: Workers		50	76	57	52	26	26	27	28	28
Housing		-	-	-	11,578	11,686	11,686	-	-	-
Libraries		461	903	585	615	3,823	3,823	4,500	4,784	4,784
Proclaimed Roads Subsidy		136	90	200	172	172	172	172	210	223
Ilange Lethu Centre		-	306	-	500	137	137	-	-	-
Umsobombvu Youth Fund		-	-	-	-	-	-	-	-	-
SDF		-	-	-	-	147	147	-	-	-
Housing Consumer Education Grant		9	30	36	-	47	47	-	-	-
Financial Management Support Grant		-	-	-	-	300	300	-	-	-
PAWK: Sport and Recreation		-	-	-	-	-	-	200	-	-
Abbotsdale Housing Project		108	-	-	-	-	-	-	-	-
Housing: Darling		7,050	26,488	-	-	-	-	-	-	-
Masibambani: Services		88	-	-	-	-	-	-	-	-
Database Performance Managemant		-	56	-	-	-	-	-	-	-
Disaster Fund		148	1,748	-	-	-	-	-	-	-
Masterplanning: Sewerage and Stormwater		42	-	150	-	-	-	-	-	-
Sondeza		-	100	-	-	-	-	-	-	-
Performance Management		-	250	-	-	-	-	-	-	-
Sportgrounds		-	500	-	-	-	-	-	-	-
Darling Pedestrian Route		602	-	-	-	-	-	-	-	-
Housing Project : Chatsworth - Transfer Fees		36	-	-	-	-	-	-	-	-
Housing: Riebeek Kasteel		1,134	-	-	-	-	-	-	-	-
Ilange Lethu Housing Project		18	-	-	-	-	-	-	-	-
Kalbaskraal Housing Project		75	-	-	-	-	-	-	-	-
Malmesbury Saamstaan Housing Project		49	-	-	-	-	-	-	-	-
Project Preparation Grant		62	-	-	-	-	-	-	-	-
Riebeek Kasteel Extension 3 Housing Project		95	-	-	-	-	-	-	-	-
Riebeek Kasteel: Non Motorised Transport		57	-	-	-	-	-	-	-	-
Riebeek Wes Koinonia Housing Project		174	-	-	-	-	-	-	-	-
Soup Kitchen		15	-	-	-	-	-	-	-	-
Spatial Development Framework		23	-	-	-	-	-	-	-	-
Electricity Internal Installation: Darling		-	1,254	1,746	-	-	-	-	-	-
Housing Project : Chatsworth		-	-	11,123	-	-	-	-	-	-
Junior Council		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		43	1,070	88	-	79	79	-	-	-
Cleanest Town		43	1,070	88	-	79	79	-	-	-
Total operating expenditure of Transfers and Grant		26,515	50,268	40,026	37,844	39,852	39,852	34,701	36,039	39,158
Capital expenditure of Transfers and Grants										
National Government:		6,206	85	9,870	11,974	12,046	12,046	18,025	15,322	16,208
Municipal Infrastructure (MIG)		5,770	85	9,870	11,974	11,974	11,974	14,525	15,322	16,208
Darling Sewerage Phase II		-	-	-	-	-	-	-	-	-
Equitable share		-	-	-	-	72	72	-	-	-
Electricity Riebeek Kasteel/Kalbaskraal		436	-	-	-	-	-	-	-	-
Electricity: Infrastructure Darling		-	-	-	-	-	-	-	-	-
Department of Water		-	-	-	-	-	-	3,500	-	-
Provincial Government:		11,446	15,694	25,516	1,250	1,250	1,250	116	-	-
PAWK		-	-	10,187	1,250	750	750	116	-	-
Housing: Darling		8,846	8,881	-	-	-	-	-	-	-
Goedgedacht Sportgrounds		9	-	-	-	-	-	-	-	-
Riverlands/Chatsworth Sport		244	-	-	-	-	-	-	-	-
Upgrading: Polla Park		1,045	-	-	-	-	-	-	-	-
Housing Project : Chatsworth		-	6,813	15,283	-	-	-	-	-	-

Table 34 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**WC015 Swartland - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description R thousand	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Operating transfers and grants:							
National Government:							
Balance unspent at beginning of the year	464	-	809	809	-	-	-
Current year receipts	26,385	24,927	22,625	22,625	29,802	31,017	34,123
Conditions met - transferred to revenue	26,040	24,927	23,434	23,434	29,802	31,017	34,123
Conditions still to be met - transferred to liabilities	809	-	-	-	-	-	-
Provincial Government:							
Balance unspent at beginning of the year	552	150	1,773	1,773	1,962	1,962	1,962
Current year receipts	16,894	12,917	16,007	16,007	4,899	5,022	5,035
Transfer to/(from) debtors	(1,175)	-	-	-	-	-	-
Conditions met - transferred to revenue	13,898	12,917	16,418	16,418	4,899	5,022	5,035
Conditions still to be met - transferred to liabilities	2,373	150	1,362	1,362	1,962	1,962	1,962
District Municipality:							
Balance unspent at beginning of the year	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
Other grant providers:							
Balance unspent at beginning of the year	48	-	-	-	-	-	-
Current year receipts	40	-	-	-	-	-	-
Conditions met - transferred to revenue	88	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
Total operating transfers and grants revenue	40,026	37,844	39,852	39,852	34,701	36,039	39,158
Total operating transfers and grants - CTBM	3,182	150	1,362	1,362	1,962	1,962	1,962
Capital transfers and grants:							
National Government:							
Balance unspent at beginning of the year	915	-	-	-	-	-	-
Current year receipts	8,955	11,974	12,046	12,046	18,025	15,322	16,208
Transfer to/(from) debtors	-	-	-	-	-	-	-
Conditions met - transferred to revenue	9,870	11,974	12,046	12,046	18,025	15,322	16,208
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
Provincial Government:							
Balance unspent at beginning of the year	1,579	-	-	-	-	-	-
Current year receipts	32,470	1,250	1,250	1,250	116	-	-
Transfer to/(from) debtors	(8,534)	-	-	-	-	-	-
Conditions met - transferred to revenue	25,516	1,250	1,250	1,250	116	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
District Municipality:							
Balance unspent at beginning of the year	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
Other grant providers:							
Balance unspent at beginning of the year	-	-	-	-	-	-	-
Current year receipts	-	-	750	750	1,339	-	-
Transfer to/(from) debtors	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	750	750	1,339	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
Total capital transfers and grants revenue	35,385	13,224	14,046	14,046	19,480	15,322	16,208
Total capital transfers and grants - CTBM	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	75,411	51,068	53,898	53,898	54,181	51,361	55,366
TOTAL TRANSFERS AND GRANTS - CTBM	3,182	150	1,362	1,362	1,962	1,962	1,962

26.8 Councillor and employee benefits

Table 35 MBRR SA22 - Summary of councillor and staff benefits

[illegible]

Table 36 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

WC015 Swartland - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	2,739	2,723	3,007	3,748	3,748	3,748	4,034	4,254	4,487
Pension and UIF Contributions	411	410	447	557	557	557	555	555	585
Medical Aid Contributions	344	340	346	447	447	447	444	471	499
Motor Vehicle Allowance	1,165	1,157	1,256	1,517	1,517	1,517	1,678	1,771	1,868
Cellphone Allowance	234	239	258	286	286	286	305	323	342
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	29	29	-	-	-	-	-	-	-
Sub Total - Councillors	4,922	4,899	5,314	6,554	6,554	6,554	7,016	7,373	7,783
% increase		(0.5%)	8.5%	23.3%	-	-	7.0%	5.1%	5.6%
Senior Managers of the Municipality									
Basic Salaries and Wages	3,209	3,353	-	4,001	4,001	4,001	4,264	4,579	4,917
Pension and UIF Contributions	588	653	-	720	720	720	906	955	1,007
Medical Aid Contributions	195	222	-	280	280	280	264	290	319
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1,053	901	-	900	900	900	996	1,051	1,109
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	370	349	-	453	453	453	355	382	410
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	32	104	57
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	5,415	5,478	-	6,354	6,354	6,354	6,817	7,360	7,820
% increase		1.2%	(100.0%)	-	-	-	7.3%	8.0%	6.2%
Other Municipal Staff									
Basic Salaries and Wages	45,576	55,025	64,928	69,551	69,551	69,551	66,854	72,408	77,274
Pension and UIF Contributions	3,748	8,158	10,516	11,150	11,150	11,150	10,984	11,567	12,261
Medical Aid Contributions	2,766	3,704	4,690	5,231	5,231	5,231	5,814	6,396	7,035
Overtime	2,883	2,944	3,522	3,394	3,394	3,394	4,559	4,983	5,532
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1,325	3,963	5,988	5,040	5,040	5,040	5,339	5,456	5,577
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	590	447	439	566	566	566	560	591	623
Other benefits and allowances	7,524	3,240	4,132	4,012	4,012	4,012	12,477	13,187	14,743
Payments in lieu of leave	945	1,250	865	1,313	1,313	1,313	1,080	1,156	1,237
Long service awards	1,161	895	975	697	697	697	828	894	966
Post-retirement benefit obligations	3,142	2,523	3,473	3,250	3,250	3,250	2,375	2,607	2,870
Sub Total - Other Municipal Staff	69,661	82,151	99,527	104,204	104,204	104,204	110,872	119,245	128,118
% increase		17.9%	21.2%	4.7%	-	-	6.4%	7.6%	7.4%
Total Parent Municipality	79,997	92,528	104,841	117,113	117,113	117,113	124,704	133,978	143,720
		15.7%	13.3%	11.7%	-	-	6.5%	7.4%	7.3%
Total Municipal Entities	-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS	79,997	92,528	104,841	117,113	117,113	117,113	124,704	133,978	143,720
% increase		15.7%	13.3%	11.7%	-	-	6.5%	7.4%	7.3%
TOTAL MANAGERS AND STAFF	75,075	87,629	99,527	110,559	110,559	110,559	117,689	126,605	135,937

Table 37 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		20	5	15	23	7	16	23	7	16
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	7	5	2	7	7	–	7	7	–
Other Managers	7	–	–	–	–	–	–	–	–	–
Professionals		24	24	–	23	21	2	23	23	–
Finance		5	5	–	5	4	1	5	5	–
Spatial/town planning		4	4	–	3	3	–	3	3	–
Information Technology		2	2	–	2	2	–	2	2	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		2	2	–	2	2	–	2	2	–
Water		2	2	–	1	1	–	1	1	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	1	1	–	1	1	–
Other		8	8	–	9	8	1	9	9	–
Technicians		28	27	1	27	27	–	27	27	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		3	3	–	5	5	–	5	5	–
Information Technology		1	1	–	1	1	–	1	1	–
Roads		2	2	–	2	2	–	2	2	–
Electricity		5	5	–	5	5	–	5	5	–
Water		2	2	–	3	3	–	3	3	–
Sanitation		2	1	1	2	2	–	2	2	–
Refuse		2	2	–	2	2	–	2	2	–
Other		11	11	–	7	7	–	7	7	–
Clerks (Clerical and administrative)		106	106	–	114	110	4	114	114	–
Service and sales workers		67	67	–	75	69	6	75	75	–
Skilled agricultural and fishery workers		1	1	–	1	1	–	1	1	–
Craft and related trades		29	29	–	32	32	–	32	32	–
Plant and Machine Operators		38	38	–	42	39	3	42	42	–
Elementary Occupations		240	240	–	241	226	15	241	241	–
TOTAL PERSONNEL NUMBERS		560	542	18	585	539	46	585	569	16
% increase					4.5%	(0.6%)	155.6%	–	5.6%	(65.2%)
Total municipal employees headcount	6	540	540	3	562	532	46	562	562	16
Finance personnel headcount	8	72	72	–	72	72	–	72	72	–
Human Resources personnel headcount	8	5	5	–	5	5	–	5	5	–

26.9 Monthly targets for revenue, expenditure and cash flow**Table 38 MBRR SA25 - Budgeted monthly revenue and expenditure**

WC015 Swartland - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand															
Revenue By Source															
Property rates	5,628	5,628	5,628	5,626	5,626	5,626	5,626	5,625	5,620	5,616	5,615	5,612	67,476	72,142	77,274
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	14,497	16,318	19,922	13,286	15,382	12,444	13,572	13,442	13,665	15,953	11,333	9,589	169,402	187,451	208,045
Service charges - water revenue	3,049	3,033	2,759	3,078	2,629	2,523	2,694	2,448	2,593	5,634	892	953	32,285	36,925	44,594
Service charges - sanitation revenue	1,904	3,294	1,348	1,072	1,488	1,468	2,174	1,343	1,889	1,585	1,688	1,682	20,934	23,467	27,138
Service charges - refuse revenue	1,516	1,516	1,516	1,517	1,517	1,516	1,516	1,515	1,509	1,505	1,504	1,500	18,147	18,814	19,963
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	141	167	202	471	254	139	234	201	228	170	132	70	2,407	2,521	2,642
Interest earned - external investments	0	15	15	12	18	11	6,098	1,406	8	14	9	4,416	12,023	10,819	9,893
Interest earned - outstanding debtors	101	105	102	107	92	89	97	106	99	107	101	88	1,195	1,225	1,255
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	266	259	283	352	385	315	315	296	334	275	270	689	4,040	4,241	4,453
Licences and permits	252	242	228	231	195	193	256	215	217	207	242	244	2,724	2,860	3,003
Agency services	191	224	195	201	203	195	212	201	198	175	216	206	2,416	2,536	2,663
Transfers recognised - operational	-	-	-	11,076	-	-	172	-	6,603	-	-	16,850	34,701	36,039	39,158
Other revenue	611	865	928	819	997	973	798	800	986	842	1,207	1,535	11,360	11,807	12,204
Gains on disposal of PPE	-	153	2,816	-	30	-	810	2,328	220	9	-	0	6,365	2,785	2,498
Total Revenue (excluding capital transfers and	28,155	31,819	35,941	37,847	28,817	25,492	34,574	29,925	34,170	32,091	23,208	43,434	385,473	413,632	454,783
Expenditure By Type															
Employee related costs	8,447	8,384	8,982	9,386	13,946	9,166	9,245	9,173	8,972	9,043	8,914	14,031	117,689	126,605	135,937
Remuneration of councillors	550	550	550	550	553	554	554	786	581	509	487	790	7,016	7,373	7,783
Debt impairment	472	472	472	472	472	472	472	472	472	472	472	4,444	9,636	10,748	12,113
Depreciation & asset impairment	6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	6,404	76,853	79,856	81,835
Finance charges	7	6	16	6	6	8,395	10	5	5	1	8	7,399	15,864	15,292	14,744
Bulk purchases	13,300	17,082	17,073	10,980	9,962	10,469	10,541	10,587	12,592	9,149	11,757	11,956	145,447	165,867	188,966
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	291	156	299	266	237	245	338	226	281	239	308	459	3,345	3,506	3,595
Transfers and grants	349	41	38	241	67	36	176	75	73	189	26	55	1,363	1,403	1,403
General Expenses	1,930	4,443	3,916	5,455	5,058	5,118	3,494	2,604	5,582	4,293	3,556	7,817	53,267	54,696	58,046
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	31,750	37,540	37,750	33,762	36,706	40,859	31,234	30,332	34,961	30,298	31,933	53,356	430,480	465,347	504,423
Surplus/(Deficit)	(3,595)	(5,720)	(1,809)	4,085	(7,889)	(15,367)	3,340	(407)	(791)	1,792	(8,725)	(9,922)	(45,007)	(51,714)	(49,639)
Transfers recognised - capital	7	682	2,270	1,933	1,170	2,959	956	818	1,308	1,328	711	5,339	19,480	15,322	16,208
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(3,589)	(5,038)	461	6,019	(6,719)	(12,408)	4,296	411	517	3,120	(8,014)	(4,583)	(25,527)	(36,392)	(33,431)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	(3,589)	(5,038)	461	6,019	(6,719)	(12,408)	4,296	411	517	3,120	(8,014)	(4,583)	(25,527)	(36,392)	(33,431)

Table 39 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

WC015 Swartland - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote															
Vote 1 - Corporate Services	142	46	38	38	256	142	35	45	107	28	46	4,530	5,453	5,778	5,819
Vote 2 - Civil Services	6,831	8,584	6,322	12,500	6,188	6,159	7,175	5,917	10,409	9,432	5,092	10,067	94,676	105,985	121,585
Vote 3 - Council	-	-	-	1,047	-	-	-	-	623	-	-	822	2,492	2,840	3,703
Vote 4 - Electricity Services	14,526	16,333	20,015	13,833	15,413	12,455	13,585	13,497	14,023	15,992	11,350	10,036	171,059	189,313	210,152
Vote 5 - Financial Services	5,773	6,631	10,880	11,049	6,982	8,730	13,630	10,333	9,310	7,114	6,514	21,779	118,724	111,885	115,939
Vote 6 - Development Services	177	181	227	513	315	211	303	227	249	184	176	395	3,158	3,296	3,442
Vote 7 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Protection Services	712	726	729	801	833	753	801	726	757	669	741	1,143	9,391	9,859	10,351
Total Revenue by Vote	28,162	32,501	38,211	39,780	29,987	28,450	35,530	30,744	35,478	33,418	23,919	48,773	404,953	428,954	470,991
Expenditure by Vote to be appropriated															
Vote 1 - Corporate Services	1,249	1,296	1,133	1,357	1,852	1,189	1,370	1,090	1,214	1,394	1,240	2,171	16,556	17,927	18,895
Vote 2 - Civil Services	10,762	11,739	12,254	12,498	14,582	20,876	12,753	12,672	14,589	13,452	12,688	22,003	170,867	178,058	189,092
Vote 3 - Council	778	838	639	1,141	699	986	608	889	717	606	562	1,059	9,523	10,033	10,551
Vote 4 - Electricity Services	14,032	17,993	17,731	11,920	11,406	11,348	10,604	10,407	12,447	9,389	11,980	13,496	152,751	173,549	194,263
Vote 5 - Financial Services	2,343	2,614	2,832	3,474	3,653	3,195	2,666	2,175	3,094	2,644	2,313	9,170	40,174	42,226	45,347
Vote 6 - Development Services	791	826	876	1,156	1,257	996	845	776	799	844	974	1,781	11,920	13,069	13,806
Vote 7 - Municipal Manager	308	313	291	270	425	276	269	234	281	274	294	343	3,578	3,742	3,964
Vote 8 - Protection Services	1,488	1,921	1,994	1,946	2,832	1,992	2,117	2,091	1,820	1,696	1,883	3,332	25,111	26,742	28,505
Total Expenditure by Vote	31,750	37,540	37,750	33,762	36,706	40,859	31,234	30,332	34,961	30,298	31,933	53,356	430,480	465,347	504,423
Surplus/(Deficit) before assoc.	(3,589)	(5,038)	461	6,019	(6,719)	(12,408)	4,296	411	517	3,120	(8,014)	(4,583)	(25,527)	(36,392)	(33,431)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	(3,589)	(5,038)	461	6,019	(6,719)	(12,408)	4,296	411	517	3,120	(8,014)	(4,583)	(25,527)	(36,392)	(33,431)

Table 40 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

WC015 Swartland - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard															
<i>Governance and administration</i>	5,914	6,666	10,916	12,138	7,237	8,886	13,672	10,371	10,047	7,148	6,583	22,640	122,217	115,776	120,745
Executive and council	4	2	3	1,051	3	5	5	2	631	2	6	825	2,541	2,890	3,755
Budget and treasury office	5,910	6,664	10,913	11,087	7,233	8,881	13,666	10,369	9,416	7,146	6,577	21,815	119,676	112,886	116,990
Corporate services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>	429	469	533	877	733	597	638	539	592	472	431	5,277	11,588	12,194	12,535
Community and social services	67	88	66	62	69	50	53	63	66	47	69	4,553	5,253	5,559	5,585
Sport and recreation	81	107	162	445	264	197	255	163	173	134	53	23	2,056	2,159	2,267
Public safety	264	256	287	352	383	313	313	295	336	273	271	685	4,028	4,229	4,439
Housing	17	18	18	18	18	38	18	18	18	18	37	17	251	247	244
Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	557	534	509	537	521	486	767	510	507	438	577	827	6,769	7,131	7,484
Planning and development	106	61	73	89	104	87	118	82	79	48	102	365	1,312	1,374	1,440
Road transport	451	474	435	448	417	399	649	428	428	390	475	461	5,456	5,756	6,044
Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>	21,260	24,830	26,252	26,228	21,495	18,480	20,452	19,322	24,330	25,359	16,327	20,027	264,362	293,834	330,206
Electricity	14,526	16,333	20,015	13,833	15,413	12,455	13,585	13,497	14,023	15,992	11,350	10,036	171,059	189,313	210,152
Water	3,187	3,147	2,835	3,994	2,674	2,589	2,767	2,526	3,185	5,680	1,047	1,613	35,245	40,306	48,496
Waste water management	1,930	3,732	1,780	4,657	1,779	1,820	2,395	1,568	4,145	1,992	2,232	4,911	32,939	37,580	43,289
Waste management	1,618	1,618	1,622	3,743	1,629	1,616	1,705	1,732	2,977	1,695	1,698	3,467	25,119	26,636	28,270
<i>Other</i>	1	1	1	1	1	1	2	2	2	2	2	2	18	19	21
Total Revenue - Standard	28,162	32,501	38,211	39,780	29,987	28,450	35,530	30,744	35,478	33,418	23,919	48,773	404,953	428,954	470,991
<i>Expenditure - Standard</i>															
<i>Governance and administration</i>	4,656	5,388	5,144	6,402	6,807	6,448	4,954	4,659	5,540	4,967	4,652	13,907	73,525	77,349	81,830
Executive and council	1,432	1,542	1,246	1,862	1,842	1,708	1,315	1,287	1,402	1,287	1,321	1,833	18,305	19,627	20,618
Budget and treasury office	3,224	3,846	3,898	4,540	4,965	4,740	3,640	3,143	4,138	3,680	3,331	12,074	55,220	57,722	61,212
Corporate services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>	2,905	3,443	3,665	3,568	5,080	4,191	3,752	3,574	3,642	3,594	3,465	5,890	46,769	49,929	52,775
Community and social services	807	786	870	809	1,141	801	827	751	770	789	803	1,136	10,289	11,050	11,761
Sport and recreation	909	1,062	1,034	1,185	1,634	1,731	1,180	1,074	1,369	1,447	1,121	1,866	15,610	16,528	17,192
Public safety	1,102	1,510	1,628	1,489	2,175	1,570	1,663	1,666	1,418	1,277	1,453	2,719	19,670	21,045	22,431
Housing	87	86	133	85	130	90	83	83	84	82	88	169	1,200	1,306	1,390
Health	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>	3,703	4,183	4,239	4,756	5,351	4,999	4,020	4,248	4,347	4,586	4,265	5,638	54,336	56,897	59,303
Planning and development	459	528	516	847	746	658	530	479	482	518	681	1,196	7,638	8,478	9,013
Road transport	3,244	3,656	3,724	3,909	4,604	4,341	3,490	3,769	3,865	4,069	3,584	4,443	46,698	48,419	50,290
Environmental protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>	20,302	24,492	24,672	18,849	19,424	25,190	18,319	17,821	21,402	16,963	19,520	27,854	254,809	280,099	309,408
Electricity	14,032	17,993	17,731	11,920	11,406	11,348	10,604	10,407	12,447	9,389	11,980	13,496	152,751	173,549	194,263
Water	2,801	2,952	3,115	3,206	3,500	3,520	3,809	3,813	4,285	3,763	3,688	3,857	42,310	45,089	50,602
Waste water management	1,883	1,958	2,119	2,128	2,415	8,724	2,250	1,956	2,424	2,004	2,123	8,093	38,078	39,182	40,696
Waste management	1,586	1,590	1,706	1,594	2,103	1,599	1,656	1,646	2,246	1,807	1,729	2,407	21,669	22,278	23,846
<i>Other</i>	185	32	29	187	44	30	188	30	30	188	30	67	1,041	1,073	1,107
Total Expenditure - Standard	31,750	37,540	37,750	33,762	36,706	40,859	31,234	30,332	34,961	30,298	31,933	53,356	430,480	465,347	504,423
Surplus/(Deficit) before assoc.	(3,589)	(5,038)	461	6,019	(6,719)	(12,408)	4,296	411	517	3,120	(8,014)	(4,583)	(25,527)	(36,392)	(33,431)
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	(3,589)	(5,038)	461	6,019	(6,719)	(12,408)	4,296	411	517	3,120	(8,014)	(4,583)	(25,527)	(36,392)	(33,431)

Table 41 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

WC015 Swartland - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Multi-year expenditure to be appropriated															
Vote 1 - Corporate Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Civil Services	–	–	1,000	–	1,000	6,000	500	–	4,000	3,200	500	21,307	37,507	32,822	7,000
Vote 3 - Council	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Electricity Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Financial Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Development Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Municipal Manager	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Protection Services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	–	–	1,000	–	1,000	6,000	500	–	4,000	3,200	500	21,307	37,507	32,822	7,000
Single-year expenditure to be appropriated															
Vote 1 - Corporate Services	–	60	50	10	–	–	15	–	–	12	116	6	269	156	159
Vote 2 - Civil Services	10	1,759	3,615	6,367	2,103	3,370	1,775	2,085	1,018	2,093	2,426	2,469	29,090	26,835	26,825
Vote 3 - Council	–	2	2	2	3	–	–	2	–	2	–	–	13	14	14
Vote 4 - Electricity Services	–	850	4,570	1,725	1,685	3,775	1,620	1,500	755	550	30	–	17,060	12,686	12,121
Vote 5 - Financial Services	–	300	330	105	227	–	27	–	3	–	8	11	1,011	1,298	1,266
Vote 6 - Development Services	–	20	40	370	30	–	255	30	10	20	48	–	823	276	280
Vote 7 - Municipal Manager	–	–	2	1	–	5	–	2	–	3	3	2	18	19	20
Vote 8 - Protection Services	20	50	510	40	167	40	70	30	45	40	40	6	1,058	457	703
Capital single-year expenditure sub-total	30	3,041	9,119	8,620	4,215	7,190	3,762	3,649	1,831	2,720	2,671	2,494	49,341	41,741	41,388
Total Capital Expenditure	30	3,041	10,119	8,620	5,215	13,190	4,262	3,649	5,831	5,920	3,171	23,801	86,848	74,563	48,388

Table 42 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

WC015 Swartland - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard															
<i>Governance and administration</i>	–	312	334	298	230	5	42	4	3	17	11	19	1,275	1,387	1,359
Executive and council	–	12	4	13	3	5	15	4	–	17	3	(45)	31	33	34
Budget and treasury office	–	300	330	285	227	–	27	–	3	–	8	(854)	326	198	741
Corporate services	–	–	–	–	–	–	–	–	–	–	–	918	918	1,156	584
<i>Community and public safety</i>	20	350	725	1,162	559	440	390	230	552	379	156	79	5,041	808	1,513
Community and social services	–	50	170	–	–	–	–	–	339	–	116	73	747	176	180
Sport and recreation	–	250	45	772	392	400	120	200	168	339	–	–	2,685	175	630
Public safety	20	50	510	40	167	40	70	30	45	40	40	6	1,058	457	703
Housing	–	–	–	350	–	–	200	–	–	–	–	–	550	–	–
Health	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	–	1,500	1,540	3,060	1,700	1,440	1,185	1,350	476	1,266	51	(73)	13,495	16,253	19,729
Planning and development	–	20	40	20	30	–	55	30	10	20	48	(73)	200	200	200
Road transport	–	1,480	1,500	3,040	1,670	1,440	1,130	1,320	466	1,246	3	–	13,295	16,053	19,529
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	10	879	7,520	4,100	2,727	11,305	2,645	2,065	4,800	4,258	2,953	23,776	67,037	56,115	25,788
Electricity	–	850	4,570	1,725	1,685	3,775	1,620	1,500	755	550	30	–	17,060	12,686	12,121
Water	–	–	20	500	20	1,515	515	550	30	500	2,113	2,250	8,013	4,447	2,488
Waste water management	–	5	1,010	1,865	1,010	6,005	510	15	4,015	3,208	610	21,526	39,779	34,394	9,886
Waste management	10	24	1,920	10	12	10	–	–	–	–	200	–	2,186	4,589	1,293
<i>Other</i>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	30	3,041	10,119	8,620	5,215	13,190	4,262	3,649	5,831	5,920	3,171	23,801	86,848	74,563	48,388

Table 43 MBRR SA30 - Budgeted monthly cash flow

WC015 Swartland - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS		Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Cash Receipts By Source														1		
Property rates		5,628	5,628	5,628	5,626	5,626	5,626	5,626	5,625	5,620	5,616	5,615	4,409	66,273	69,226	74,122
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		14,497	16,318	19,922	13,286	15,382	12,444	13,572	13,442	13,665	15,953	11,333	6,568	166,382	179,875	199,557
Service charges - water revenue		3,049	3,033	2,759	3,078	2,629	2,523	2,694	2,448	2,593	5,634	892	378	31,709	35,433	42,775
Service charges - sanitation revenue		1,904	3,294	1,348	1,072	1,488	1,468	2,174	1,343	1,889	1,585	1,688	1,309	20,560	22,518	26,030
Service charges - refuse revenue		1,516	1,516	1,516	1,517	1,517	1,516	1,516	1,515	1,509	1,505	1,504	1,176	17,824	18,054	19,149
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		141	167	202	471	254	139	234	201	228	170	132	27	2,364	2,419	2,534
Interest earned - external investments		0	15	15	12	18	11	6,098	1,406	8	14	9	4,416	12,023	10,819	9,893
Interest earned - outstanding debtors		101	105	102	107	92	89	97	106	99	107	101	67	1,174	1,175	1,204
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		266	259	283	352	385	315	315	296	334	275	270	689	4,040	4,241	4,453
Licences and permits		252	242	228	231	195	193	256	215	217	207	242	244	2,724	2,860	3,003
Agency services		191	224	195	201	203	195	212	201	198	175	216	206	2,416	2,536	2,663
Transfer receipts - operational		-	-	-	11,076	-	-	172	-	6,603	-	-	16,850	34,701	36,039	39,158
Other revenue		611	865	928	819	997	973	798	800	986	842	1,207	1,535	11,360	11,807	12,204
Cash Receipts by Source		28,155	31,666	33,126	37,847	28,787	25,492	33,764	27,598	33,950	32,082	23,208	37,874	373,549	397,003	436,746
Other Cash Flows by Source																
Transfer receipts - capital		7	682	2,270	1,933	1,170	2,959	956	818	1,308	1,328	711	5,339	19,480	15,322	16,208
Contributions recognised - capital & Contributed a		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	153	2,816	-	30	-	810	2,328	220	9	-	0	6,365	2,785	2,498
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		27	27	27	27	27	27	27	27	27	27	27	27	321	337	354
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable		2	2	2	2	2	2	2	2	2	2	2	2	25	15	18
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		28,190	32,530	38,240	39,809	30,016	28,479	35,559	30,773	35,506	33,447	23,948	43,242	399,739	415,462	455,823
Cash Payments by Type																
Employee related costs		8,447	8,384	8,982	9,386	13,946	9,166	9,245	9,173	8,972	9,043	8,914	14,031	117,689	126,605	135,937
Remuneration of councillors		550	550	550	550	553	554	554	786	581	509	487	790	7,016	7,373	7,783
Finance charges		7	6	16	6	6	8,395	10	5	5	1	8	7,399	15,864	15,292	14,744
Bulk purchases - Electricity		12,000	15,763	15,605	9,685	8,477	8,817	8,538	8,348	10,208	7,127	9,744	8,628	122,940	141,902	159,568
Bulk purchases - Water & Sewer		1,300	1,319	1,468	1,295	1,485	1,652	2,003	2,239	2,384	2,022	2,012	1,519	20,698	22,505	26,823
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		291	156	299	266	237	245	338	226	281	239	308	418	3,303	3,475	3,546
Transfers and grants - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other		349	41	38	241	67	36	176	75	73	189	26	55	1,363	1,403	1,403
Other expenditure		1,930	4,443	3,916	5,455	5,058	5,118	3,494	2,604	5,582	4,293	3,556	7,154	52,604	54,215	57,255
Cash Payments by Type		24,874	30,663	30,873	26,885	29,829	33,982	24,357	23,456	28,085	23,422	25,056	39,994	341,478	372,771	407,060
Other Cash Flows/Payments by Type																
Capital assets		30	3,041	10,119	8,620	5,215	13,190	4,262	3,649	5,831	5,920	3,171	23,801	86,848	74,563	48,388
Repayment of borrowing		-	-	-	-	-	3,277	-	-	-	-	-	3,277	6,553	6,755	6,891
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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26.10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

26.11 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 44 MBRR SA35 - Future financial implications of the capital budget

WC015 Swartland - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
Capital expenditure							
Vote 1 - Corporate Services	269	156	159	1,212	165	-	-
Vote 2 - Civil Services	66,597	59,657	33,825	25,871	22,954	-	-
Vote 3 - Council	13	14	14	15	16	-	-
Vote 4 - Electricity Services	17,060	12,686	12,121	12,977	11,484	-	-
Vote 5 - Financial Services	1,011	1,298	1,266	838	1,201	-	-
Vote 6 - Development Services	823	276	280	584	288	-	-
Vote 7 - Municipal Manager	18	19	20	21	22	-	-
Vote 8 - Protection Services	1,058	457	703	2,370	2,837	-	-
<i>List entity summary if applicable</i>							
Total Capital Expenditure	86,848	74,563	48,388	43,889	38,967	-	-
Future operational costs by vote	Information not readily available						
Vote 1 - Corporate Services							
Vote 2 - Civil Services							
Vote 3 - Council							
Vote 4 - Electricity Services							
Vote 5 - Financial Services							
Vote 6 - Development Services							
Vote 7 - Municipal Manager							
Vote 8 - Protection Services							
Total future operational costs	-	-	-	-	-	-	-
Future revenue by source	Information not readily available						
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
<i>List other revenues sources if applicable</i>							
<i>List entity summary if applicable</i>							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	86,848	74,563	48,388	43,889	38,967	-	-

Table 45 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4				6	3	3	5		Audited Outcome 2010/11	2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Vote 2 - Civil Services	1	Sewerage Works Malmesbury	090001	B	Yes	Infrastructure	Reticulation Sanitation		79,902	28,274	40,380	11,248	-	-	Various Wards	Re
Vote 2 - Civil Services	2	Sewerage Works Malmesbury	090001	B	Yes	Infrastructure	Reticulation Sanitation		23,018	-	11,974	6,059	4,985	-	Various Wards	Re
Vote 2 - Civil Services	3	Sewerage Works Malmesbury	090001	B	Yes	Infrastructure	Reticulation Sanitation		8,500	-	-	8,500	-	-	Various Wards	Re
Vote 2 - Civil Services	4	Malmesbury -Donation is subject to VAT-difference will be final	090001	B	Yes	Infrastructure	Reticulation Sanitation		-	-	-	-	-	-	-	Re
Vote 2 - Civil Services	5	Sewerage pipe Smuts street Riebeeck Wes	090042	B	Yes	Infrastructure	Reticulation Sanitation		1,200	-	-	-	-	1,200	Ward 3	Re
Vote 2 - Civil Services	6	Upgrading of WWTW Riebeeck Wes and Riebeeck Kasteel	100157	B	Yes	Infrastructure	Reticulation Sanitation		19,087	-	750	8,000	10,337	-	Ward 3, 12	Re
Vote 2 - Civil Services	7	Upgrading of WWTW Riebeeck Wes and Riebeeck Kasteel	100157	B	Yes	Infrastructure	Reticulation Sanitation		5,000	-	-	-	5,000	-	Ward 3, 12	Re
Vote 2 - Civil Services	8	Upgrading of WWTW Riebeeck Wes and Riebeeck Kasteel	100157	B	Yes	Infrastructure	Reticulation Sanitation		9,000	-	-	-	9,000	-	Ward 3, 12	Re
Vote 2 - Civil Services	7	Sewerage Koringberg	100043	B	Yes	Infrastructure	Reticulation Sanitation		3,461	-	461	3,000	-	-	Ward 1	Re
Vote 2 - Civil Services	9	Sewerage : Darling	100044	B	Yes	Infrastructure	Reticulation Sanitation		8,500	-	-	500	1,000	7,000	Ward 5, 6	Re
Vote 2 - Civil Services	10	Sewerage : Chatsworth	110095	B	Yes	Infrastructure	Reticulation Sanitation		3,100	-	400	200	2,500	-	Ward 4	Re
Vote 2 - Civil Services	11	Equipment : Sewerage Telemetry	090003	B	Yes	Other assets	Furniture and other office equipment		276	-	61	65	72	79	All Wards	Re
Vote 2 - Civil Services	12	Equipment : Sewerage	100114	B	Yes	Other assets	Furniture and other office equipment		665	-	611	47	-	7	All Wards	Re
Vote 2 - Civil Services	13	Equipment Sewerage : Sample taking Apparatus	090181	B	Yes	Other assets	Furniture and other office equipment		75	-	75	-	-	-	-	Re
Vote 2 - Civil Services	14	Sewerage CK 23408 Truck Replace	090227	B	Yes	Other assets	General vehicles		1,500	-	-	-	1,500	-	All Wards	Re
Vote 2 - Civil Services	15	Sewerage : CK 11899 Truck Replace	090226	B	Yes	Other assets	General vehicles		1,500	-	-	1,500	-	-	All Wards	Re
Vote 2 - Civil Services	16	Sewerage :CK 37920 Truck Replace	100128	B	Yes	Other assets	General vehicles		1,025	-	1,025	-	-	-	-	Re
Vote 2 - Civil Services	17	Sewerage CK 14612 Truck Replace	110086	B	Yes	Other assets	General vehicles		1,600	-	-	-	-	1,600	All Wards	Re
Vote 2 - Civil Services	18	Sewerage CK 33244 Bakkie Replace	110087	B	Yes	Other assets	General vehicles		180	-	-	180	-	-	All Wards	Re
Vote 2 - Civil Services	19	Bakkie Darling Sewerage Works (B Sedres) New Bakkie	110121	B	Yes	Other assets	General vehicles		139	-	139	-	-	-	-	Re
Vote 2 - Civil Services	20	Sewerage: CK 19529 Bakkie Replace	120014	B	Yes	Other assets	General vehicles		180	-	-	180	-	-	All Wards	Re
Vote 2 - Civil Services		Flowmeters Chatsworth/Riverlands	110027	B	Yes	Other assets	Furniture and other office equipment		200	-	-	200	-	-	Ward 4	Re
Vote 2 - Civil Services		Switching of pumps: Swartland	120015	B	Yes	Infrastructure	Reticulation Sanitation					100			All Wards	Re
Vote 2 - Civil Services	21	CK 20381 Bakkie Replace	110088	D	Yes	Other assets	General vehicles		180	-	-	180	-	-	All Wards	Re
Vote 2 - Civil Services	22	Municipal Stores: Shelter for composting Moorreesburg	090058	D	Yes	Other assets	Other Buildings		-	-	-	-	-	-	-	Re
Vote 2 - Civil Services	23	Fencing Spoornet - Darling	110120	D	Yes	Other assets	Other Buildings		84	-	84	-	-	-	-	Re
Vote 2 - Civil Services	24	Cemeteries: Fencing Malmesbury (Old Town)	090066	B	Yes	Community	Cemeteries		159	-	-	159	-	-	Various Wards	Re
Vote 2 - Civil Services		Cemeteries: Fencing Kalbaskraal	120017	B	Yes	Community	Cemeteries					180			Ward 7	Re
Vote 2 - Civil Services	25	Cemeteries: Grave box for collapsing graves	100045	B	Yes	Community	Cemeteries		120	-	-	120	-	-	All Wards	Re
Vote 2 - Civil Services	26	Swimming pool Malmesbury: New Tiles/Surface	090031	B	Yes	Community	Swimming pools		1,257	-	1,257	-	-	-	-	Re
Vote 2 - Civil Services	27	Parks CK 17609 Tractor Replace	090208	B	Yes	Other assets	General vehicles		239	-	239	-	-	-	-	Re
Vote 2 - Civil Services	28	Parks CK 19801 Tractor Replace	090209	B	Yes	Other assets	General vehicles		239	-	239	-	-	-	-	Re
Vote 2 - Civil Services	29	Parks CK 22740 Tractor Replace	090211	B	Yes	Other assets	General vehicles		350	-	-	350	-	-	Various Wards	Re
Vote 2 - Civil Services	30	Parks CK 10284 Tractor Replace	090213	B	Yes	Other assets	General vehicles		239	-	239	-	-	-	-	Re
Vote 2 - Civil Services	31	Parks CK 32577 Tractor Replace	110069	B	Yes	Other assets	General vehicles		350	-	-	-	-	350	All Wards	Re
Vote 2 - Civil Services	32	Chlorinator at Moorreesburg Swimming Pool	110111	B	Yes	Community	Swimming pools		165	-	165	-	-	-	-	Re
Vote 2 - Civil Services	33	Kalbaskraal Sport Grounds (Lotto)	110122	B	Yes	Community	Sportsfields & stadia		534	-	50	484	-	-	Ward 7	Re
Vote 2 - Civil Services	34	Riebeeck Wes (Lotto)	110123	B	Yes	Community	Sportsfields & stadia		955	-	100	855	-	-	Ward 3	Re
Vote 2 - Civil Services	35	Mun Pol CK 15244 Bakkie Replace	090204	B	Yes	Other assets	General vehicles		260	-	260	-	-	-	All Wards	Re
Vote 2 - Civil Services	36	Pedestrian Pathways: Darling	100162	B	Yes	Infrastructure	Roads, Pavements & Bridges		600	-	600	-	-	-	-	Re

Table 45 MBRR SA36: Detailed capital budget per municipal vote (continued)

Vote 2 - Civil Services	37	Roads Swartland: Resealing of Roads	090004	B	Yes	Infrastructure	Roads, Pavements & Bridges	30,486	7,986	7,500	-	15,000	-	All Wards
Vote 2 - Civil Services	38	Upgrading of Streets: Swartland	110032	B	Yes	Infrastructure	Roads, Pavements & Bridges	24,674	-	-	8,466	-	16,208	All Wards
Vote 2 - Civil Services	39	Kareeboom		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	40	Keurboom		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	41	Eikeboom		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	42	Petunia		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	43	Daisie		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	44	Watsonia		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	45	Adamse		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	46	Appollis		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	47	Koelenberg		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	48	Dennehout		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	49	Dennehout Link		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	50	Bloekom		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	51	Essenhout		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	52	Leeubekkie		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	53	Gousblom		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	54	Kalbaskraal 20		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	55	Abbotsdale 1		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	56	Abbotsdale 2		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	57	Abbotsdale 4		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	58	Abbotsdale 5		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	59	Abbotsdale 7		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	60	of tarred Roads Swartland area - tender is expected to be more than bud		B	Yes	Infrastructure	Roads, Pavements & Bridges	-	-	-	-	-	-	
Vote 2 - Civil Services	61	Akkerboomstraat 683m		B	Yes	Infrastructure	Roads, Pavements & Bridges	438	-	438	-	-	-	
Vote 2 - Civil Services	62	Botterboomstraat 845m		B	Yes	Infrastructure	Roads, Pavements & Bridges	560	-	560	-	-	-	
Vote 2 - Civil Services	63	Denneboomstraat 683m		B	Yes	Infrastructure	Roads, Pavements & Bridges	493	-	493	-	-	-	
Vote 2 - Civil Services	64	Olieboomstraat 243m		B	Yes	Infrastructure	Roads, Pavements & Bridges	159	-	159	-	-	-	
Vote 2 - Civil Services	65	Silwerboomstraat 240m		B	Yes	Infrastructure	Roads, Pavements & Bridges	136	-	136	-	-	-	
Vote 2 - Civil Services	66	Okkerneutstraat 185m		B	Yes	Infrastructure	Roads, Pavements & Bridges	134	-	134	-	-	-	
Vote 2 - Civil Services	67	Weseindestaat 146m		B	Yes	Infrastructure	Roads, Pavements & Bridges	54	-	54	-	-	-	
Vote 2 - Civil Services	68	Bloemstraat 165m		B	Yes	Infrastructure	Roads, Pavements & Bridges	107	-	107	-	-	-	
Vote 2 - Civil Services	69	Aandblomstraat 198m		B	Yes	Infrastructure	Roads, Pavements & Bridges	84	-	84	-	-	-	
Vote 2 - Civil Services	70	Leeubekkiestraat 85m		B	Yes	Infrastructure	Roads, Pavements & Bridges	36	-	36	-	-	-	
Vote 2 - Civil Services	71	Mimosastraat 174m		B	Yes	Infrastructure	Roads, Pavements & Bridges	72	-	72	-	-	-	
Vote 2 - Civil Services	72	Nemesiastraat 56m		B	Yes	Infrastructure	Roads, Pavements & Bridges	28	-	28	-	-	-	
Vote 2 - Civil Services	73	Arkstraat 162m		B	Yes	Infrastructure	Roads, Pavements & Bridges	62	-	62	-	-	-	
Vote 2 - Civil Services	74	Kachelhoffstraat 183m		B	Yes	Infrastructure	Roads, Pavements & Bridges	121	-	121	-	-	-	
Vote 2 - Civil Services	75	Waterkantstraat 235m		B	Yes	Infrastructure	Roads, Pavements & Bridges	111	-	111	-	-	-	
Vote 2 - Civil Services	76	Buitekantstraat 121m		B	Yes	Infrastructure	Roads, Pavements & Bridges	82	-	82	-	-	-	
Vote 2 - Civil Services	77	Tortelduistraat 55m		B	Yes	Infrastructure	Roads, Pavements & Bridges	27	-	27	-	-	-	
Vote 2 - Civil Services	78	Kransvoelstraat 291m		B	Yes	Infrastructure	Roads, Pavements & Bridges	138	-	138	-	-	-	
Vote 2 - Civil Services	79	Pikkewynstraat 48m		B	Yes	Infrastructure	Roads, Pavements & Bridges	23	-	23	-	-	-	
Vote 2 - Civil Services	80	Kokkewietstraat 206m		B	Yes	Infrastructure	Roads, Pavements & Bridges	94	-	94	-	-	-	

Table 45 MBRR SA36: Detailed capital budget per municipal vote (continued)

Vote 2 - Civil Services	81	Winkelstraat 1 148m		B	Yes	Infrastructure	Roads, Pavements & Bridges	566	-	566	-	-	-	-	-
Vote 2 - Civil Services	82	Main Road 25 Kelder Pad 80/20 R3 100 000 2010/2011 en R830 000	100078	B	Yes	Infrastructure	Roads, Pavements & Bridges	3,400	-	1,700	1,700	-	-	-	Ward 8
Vote 2 - Civil Services	83	CK 14865 Tractor Replace	110070	B	Yes	Other assets	General vehicles	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	84	CK 31717 Truck Replace	110071	B	Yes	Other assets	General vehicles	400	-	-	-	-	-	400	All Wards
Vote 2 - Civil Services	85	CK 13286 Truck Replace	110072	B	Yes	Other assets	General vehicles	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	86	CK 18925 Truck Replace	110073	B	Yes	Other assets	General vehicles	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	87	CK 33799 Digger Loader Replace	090223	B	Yes	Other assets	General vehicles	1,099	-	1,099	-	-	-	-	All Wards
Vote 2 - Civil Services	88	CK 15665 Truck Replace	100132	B	Yes	Other assets	General vehicles	1,100	-	-	1,100	-	-	-	All Wards
Vote 2 - Civil Services	89	CK 274 Digger Loader Replace	090222	B	Yes	Other assets	General vehicles	3,395	-	1,495	-	-	-	1,900	All Wards
Vote 2 - Civil Services	90	CK 30032 Truck Replace	100121	B	Yes	Other assets	General vehicles	600	-	-	600	-	-	-	All Wards
Vote 2 - Civil Services	91	CK 34833 Tipper Replace	100117	B	Yes	Other assets	General vehicles	480	-	480	-	-	-	-	All Wards
Vote 2 - Civil Services	92	CK 40485 Tractor Replace	120001	B	Yes	Other assets	General vehicles	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	93	Bakkie Mrb: (A Mentoor) New Bakkie	110124	B	Yes	Other assets	General vehicles	139	-	139	-	-	-	-	All Wards
Vote 2 - Civil Services	94	Broadcasting Booth: Gene Louw Sport Grounds Moorreesburg	110051	B	Yes	Community	Sportsfields & stadia	150	-	150	-	-	-	-	All Wards
Vote 2 - Civil Services	95	Broadcasting Booth: Gene Louw Sport Grounds Moorreesburg	110051	B	Yes	Community	Sportsfields & stadia	49	-	49	-	-	-	-	All Wards
Vote 2 - Civil Services	96	Sport Borehole Kalbaskraal Sport Grounds	100048	B	Yes	Community	Sportsfields & stadia	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	97	Gene Louw - Fencing	090069	B	Yes	Other assets	Other Buildings	100	-	50	-	50	-	-	Ward 2
Vote 2 - Civil Services	98	Fencing : Dieprivier Sport Ground	120018	B	Yes	Other assets	Other Buildings	167	-	-	167	-	-	-	Ward 8
Vote 2 - Civil Services		Ilinge Lethu Comm.Gym	120019	B	Yes	Community	Sportsfields & stadia				162				Ward 9
Vote 2 - Civil Services		Ilinge Lethu Comm.Gym	120019	B	Yes	Community	Sportsfields & stadia				150				Ward 9
Vote 2 - Civil Services	99	Upgrading of Stormwater	090009	B	Yes	Infrastructure	Storm water	2,500	-	550	600	650		700	All Wards
Vote 2 - Civil Services	100	Stormwater Riebeeck Wes(Solomonstraat & Hofstraat)	090074	B	Yes	Infrastructure	Storm water	300	-	-	300	-	-	-	Ward 3
Vote 2 - Civil Services	101	CK 18292 Case Digger Replace		B	Yes	Other assets	General vehicles	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	102	CK 17842 Bakkie Replace	120021	B	Yes	Other assets	General vehicles	260	-	-	260	-	-	-	All Wards
Vote 2 - Civil Services	103	Water reservoir Koringberg 0.25M	100038	B	Yes	Infrastructure	Dams & Reservoirs	600	-	-	100	500	-	-	Ward 1
Vote 2 - Civil Services	104	Water supply Darling Pump to reservoir	100039	B	Yes	Infrastructure	Dams & Reservoirs	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	105	Water Network: Riebeeck Wes	100040	B	Yes	Infrastructure	Reticulation Water	400	-	-	-	400	-	-	Ward 3
Vote 2 - Civil Services	106	Water: Panorama pump Station	100041	B	Yes	Infrastructure	Reticulation Water	450	-	-	450	-	-	-	Ward 10
Vote 2 - Civil Services	107	Water : Reservoir Riebeeck Wes :Replacement of 2 old Reservoir.	110021	B	Yes	Infrastructure	Dams & Reservoirs	1,700	-	200	1,500	-	-	-	Ward 3
Vote 2 - Civil Services	108	Moorreesburg Water Pumpstation	090051	B	Yes	Infrastructure	Reticulation Water	1,073	-	1,073	-	-	-	-	All Wards
Vote 2 - Civil Services	109	Water Pipeline Malmesbury/Kalbaskraal (PAWK SMITH)	090174	B	Yes	Infrastructure	Reticulation Water	11,750	11,750	-	-	-	-	-	All Wards
Vote 2 - Civil Services	110	Malmesbury/Kalbaskraal -Donation is subject to VAT-Difference will be	090174	B	Yes	Infrastructure	Reticulation Water	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	111	Water: Replace water pipe Loedolf Street	100035	B	Yes	Infrastructure	Reticulation Water	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	112	CK 22897 Bakkie Replace	110078	B	Yes	Other assets	General vehicles	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	113	CK 38172 Truck Replace	110079	B	Yes	Other assets	General vehicles	-	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	114	CK 34796 Digger	090230	B	Yes	Other assets	General vehicles	661	-	661	-	-	-	-	All Wards
Vote 2 - Civil Services	115	Water pump: Sewerage pump (pumps water to Wesbank and Golf	110118	B	Yes	Other assets	Plant & equipment	42	-	42	-	-	-	-	All Wards
Vote 2 - Civil Services		Water: Secondary Chlorination	120022	B	Yes	Infrastructure	Dams & Reservoirs	300	-	-	100	100		100	All Wards
Vote 2 - Civil Services		Water: Chatsworth New reservoir	120023	B	Yes	Infrastructure	Dams & Reservoirs	1,450	-	-	200	1,250			Ward 4
Vote 2 - Civil Services	116	Water:Upgrading/Replacement water reticulation network	120013	B	Yes	Infrastructure	Reticulation Water	6,420	-	-	2,000	2,100		2,320	All Wards
Vote 2 - Civil Services	228	Water: Conservation and Demand Management	120024	B	Yes	Infrastructure	Reticulation Water	3,500	-	-	3,500	-	-	-	All Wards
Vote 2 - Civil Services	117	Recycling Igloos	100064	C	Yes	Other assets	Furniture and other office equipment	200	-	200	-	-	-	-	All Wards
Vote 2 - Civil Services	118	Composting: Grading Sieves	100065	C	Yes	Other assets	Plant & equipment	-	-	-	-	-	-	-	All Wards

Vote 2 - Civil Services	119	Refuse: Containers (X10) - composting	100094	C	Yes	Other assets	Plant & equipment	200	-	200	-	-	-	-
Vote 2 - Civil Services	120	Refuse: Containers (X10) - Yzerfontein/Kalbakraal/Chatsworth	100095	C	Yes	Other assets	Plant & equipment	200	-	200	-	-	-	-
Vote 2 - Civil Services	121	Refuse: Fencing Darling	100133	C	Yes	Other assets	Other Buildings	-	-	-	-	-	-	-
Vote 2 - Civil Services	122	Equipment : Refuse bins, traps, skips (Swartland)	090027	C	Yes	Other assets	Furniture and other office equipment	145	-	32	34	37	41	All Wards
Vote 2 - Civil Services	123	CEA 7808 Sedan Replace	090162aj	C	Yes	Other assets	General vehicles	914	-	914	-	-	-	-
Vote 2 - Civil Services	124	CK 17766 (Street Cleaning Lorry)	090215	C	Yes	Other assets	General vehicles	333	-	333	-	-	-	-
Vote 2 - Civil Services	125	CK 382 Tractor Replace	090162ak	C	Yes	Other assets	General vehicles	926	-	926	-	-	-	-
Vote 2 - Civil Services	126	CK 19234 Tractor Replace	110074	C	Yes	Other assets	General vehicles	400	-	-	-	-	400	All Wards
Vote 2 - Civil Services	127	CK 29021 Tractor Replace	110075	C	Yes	Other assets	General vehicles	400	-	-	-	-	400	All Wards
Vote 2 - Civil Services	128	CK 29939 Tractor Replace	110040	C	Yes	Other assets	General vehicles	1,668	-	1,668	-	-	-	-
Vote 2 - Civil Services	129	CK 33676 Tractor Replace	110076	C	Yes	Other assets	General vehicles	400	-	-	-	-	400	All Wards
Vote 2 - Civil Services	130	CK 17764 Tractor Replace	110041	C	Yes	Other assets	General vehicles	313	-	313	-	-	-	-
Vote 2 - Civil Services	131	CK 37315 Tractor Replace	100126	C	Yes	Other assets	General vehicles	1,900	-	-	1,900	-	-	All Wards
Vote 2 - Civil Services	132	CK 38964 Tractor Replace	110077	C	Yes	Other assets	General vehicles	2,000	-	-	-	2,000	-	All Wards
Vote 2 - Civil Services		Upgrading Recycling Plant	120026	C	Yes	Infrastructure	Waste Management				200	2,500	-	All Wards
Vote 2 - Civil Services	133	CK 36152 Compactor Replace	120025	C	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 6 - Development Services	134	ECD Facilities	100011	J	Yes	Community	Other	580	-	580	-	-	-	-
Vote 6 - Development Services	135	Small Farmers Agriculture: Implementation of project Malmesbury	100086	J	Yes	Other assets	Plant & equipment	-	-	-	-	-	-	-
Vote 6 - Development Services	136	Small Farmers Agriculture: Implementation of project Darling	100086	J	Yes	Other assets	Plant & equipment	25	-	25	-	-	-	-
Vote 6 - Development Services	137	Thusong Centre	110119	J	Yes	Community	Other	500	-	500	-	-	-	-
Vote 6 - Development Services	138	CK 39039 Bakkie Replace	110089	J	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 6 - Development Services	139	CK 18244 Sedan Replace	110090	J	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 6 - Development Services	140	Housing Riverlands: Services	100014	M	Yes	Other assets	Other Buildings	150	-	-	150	-	-	Ward 4
Vote 6 - Development Services	141	Klipiesdal :Construction of Council Houses	100013	M	Yes	Other assets	Other Buildings	400	-	-	400	-	-	Ward 3
Vote 4 - Electricity Services	142	New power supply from main sub station - Malmesbury Sewerage	100029	F	Yes	Infrastructure	Transmission & Reticulation	1,200	-	1,200	-	-	-	-
Vote 4 - Electricity Services	143	Elect Industrial substation extension - Malmesbury Sewerage Plant	100030	F	Yes	Infrastructure	Transmission & Reticulation	1,000	-	1,000	-	-	-	-
Vote 4 - Electricity Services	144	Elect new Klipfontein regional sub station	100031	F	Yes	Infrastructure	Transmission & Reticulation	3,000	-	-	3,000	-	-	Various Wards
Vote 4 - Electricity Services	145	Elect Supply Klipfontein Regional Sub /Tosca	100032	F	Yes	Infrastructure	Transmission & Reticulation	1,200	-	-	-	1,200	-	All Wards
Vote 4 - Electricity Services	146	Elect Supply Klipfontein Eskom Sub /KRS	100033	F	Yes	Infrastructure	Transmission & Reticulation	2,500	-	-	2,500	-	-	All Wards
Vote 4 - Electricity Services	147	Elect Micro Excavator	100097	F	Yes	Infrastructure	Transmission & Reticulation	350	-	-	350	-	-	All Wards
Vote 4 - Electricity Services	148	Elect Equipment replacements cable detector	100099	F	Yes	Other assets	Furniture and other office equipment	250	-	250	-	-	-	-
Vote 4 - Electricity Services	149	Elect Upgrading of old/aging electrical networks/new networks	090044	F	Yes	Infrastructure	Transmission & Reticulation	37,372	8,872	8,500	-	10,000	10,000	All Wards
Vote 4 - Electricity Services	150	Elect Upgrade cable networks and regional substations-	120002	F	Yes	Infrastructure	Transmission & Reticulation	3,400	-	-	3,400	-	-	Ward 8, 9, 11
Vote 4 - Electricity Services	151	Elect Upgrade voltage lines/networks-Replace obsolete LV lines Bergsig, West	120003	F	Yes	Infrastructure	Transmission & Reticulation	400	-	-	400	-	-	Various Wards
Vote 4 - Electricity Services	152	Elect Meters-Replace proprietary prepaid meters	120004	F	Yes	Infrastructure	Transmission & Reticulation	100	-	-	100	-	-	Various Wards
Vote 4 - Electricity Services	153	Elect Upgrade supply line 1-Renew supply line from Eskom	120005	F	Yes	Infrastructure	Transmission & Reticulation	1,000	-	-	1,000	-	-	Ward 1, 2
Vote 4 - Electricity Services	154	Elect MV Network upgrade-Upgrade supply to sewerage plant	120006	F	Yes	Infrastructure	Transmission & Reticulation	700	-	-	700	-	-	Ward 1, 2
Vote 4 - Electricity Services	155	Elect Low voltage lines-Replace obsolete LV lines Moorreesburg	120007	F	Yes	Infrastructure	Transmission & Reticulation	400	-	-	400	-	-	Ward 1, 2
Vote 4 - Electricity Services	156	Elect Upgrade voltage lines-Replace switchgear and substations Darling North, East and	120008	F	Yes	Infrastructure	Transmission & Reticulation	1,200	-	-	1,200	-	-	Ward 5, 6
Vote 4 - Electricity Services	157	Elect Low voltage cables-Cable circuits Main sub to new Eskom substation	120009	F	Yes	Infrastructure	Transmission & Reticulation	350	-	-	350	-	-	Ward 5, 6
Vote 4 - Electricity Services	158	Elect Main substation switchgear-Extension for upgrading of supply	120010	F	Yes	Infrastructure	Transmission & Reticulation	1,200	-	-	1,200	-	-	Ward 5
Vote 4 - Electricity Services	159	Elect Substations-Replace minisubstation C4	120011	F	Yes	Infrastructure	Transmission & Reticulation	350	-	-	350	-	-	Ward 5

Vote 4 - Electricity Services	160	SCADA System-Main substations, Mby, Mrb, Darling	120012	F	Yes	Infrastructure	Transmission & Reticulation	900	-	-	900	-	-	Various Ward:
Vote 4 - Electricity Services	161	CK 17699 Truck Replace	090195	F	Yes	Other assets	General vehicles	400	-	-	400	-	-	All Wards
Vote 4 - Electricity Services	162	CK 17699 Personnel Platform	110063	F	Yes	Other assets	General vehicles	350	-	-	350	-	-	All Wards
Vote 4 - Electricity Services	163	CK 17702 Digger Loader Replace	090196	F	Yes	Other assets	General vehicles	648	-	648	-	-	-	
Vote 4 - Electricity Services	164	CK 23734 Trailer Replace	090197	F	Yes	Other assets	General vehicles	700	-	-	-	700	-	All Wards
Vote 4 - Electricity Services	165	CK 24555 Truck Replace	110033	F	Yes	Other assets	General vehicles	450	-	-	-	-	450	All Wards
Vote 4 - Electricity Services	166	CK 27350 Truck Replace	110034	F	Yes	Other assets	General vehicles	400	-	-	-	-	400	All Wards
Vote 4 - Electricity Services	167	CK 15368 Bakkie Replace	100081	F	Yes	Other assets	General vehicles	280	-	-	-	280	-	Various Ward:
Vote 4 - Electricity Services	168	Elect Replacement : Old Mobile Generator	110036	F	Yes	Other assets	Plant & equipment	800	-	-	-	-	800	All Wards
Vote 4 - Electricity Services	169	CCTV Camera System: Yzerfontein	100010	F	Yes	Other assets	Plant & equipment	40	-	-	-	40	-	Ward 5
Vote 4 - Electricity Services	170	CK23693 Truck Replace	120027	F	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 5 - Financial Services	171	Financial CK 37749 Sedan Replace	110064	R	Yes	Other assets	General vehicles	135	-	-	-	-	135	All Wards
Vote 5 - Financial Services	172	Financial CK 37753 Sedan Replace	110065	R	Yes	Other assets	General vehicles	135	-	-	-	-	135	All Wards
Vote 5 - Financial Services	173	Financial CK 37750 Sedan Replace	110066	R	Yes	Other assets	General vehicles	135	-	-	-	-	135	All Wards
Vote 5 - Financial Services	174	Financial CK 20255 Sedan Replace	110067	R	Yes	Other assets	General vehicles	130	-	-	130	-	-	All Wards
Vote 5 - Financial Services	175	Financial CK 37748 Sedan Replace	110068	R	Yes	Other assets	General vehicles	135	-	-	-	-	135	All Wards
Vote 5 - Financial Services	176	Motorolla XOOM tablets x 2	110112	U	Yes	Other assets	Computers - hardware/equipment	12	-	12	-	-	-	
Vote 5 - Financial Services	177	Laptops: Councillors x 6	110112	U	Yes	Other assets	Computers - hardware/equipment	72	-	72	-	-	-	
Vote 5 - Financial Services	178	Wireless and Fiber Network	110107	U	Yes	Other assets	Computers - hardware/equipment	450	-	-	150	150	150	All Wards
Vote 8 - Protection Services	179	Mun Pol CK 10492 Bakkie Replace	090202	H	Yes	Other assets	General vehicles	220	-	-	220	-	-	All Wards
Vote 8 - Protection Services	180	Mun Pol CK 14008 Bakkie Replace	090203	H	Yes	Other assets	General vehicles	-	-	-	-	-	-	
Vote 8 - Protection Services	181	Mun PolCK 28977	090206	H	Yes	Other assets	General vehicles	350	-	350	-	-	-	
Vote 8 - Protection Services	182	Mun PolCK 30760 Bakkie Replace	110080	H	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 8 - Protection Services	183	Mun PolCK 31820 Bakkie Replace	110081	H	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 8 - Protection Services	184	Mun PolCK 32761 Bakkie Replace	110082	H	Yes	Other assets	General vehicles	220	-	-	220	-	-	All Wards
Vote 8 - Protection Services	185	Mun PolCK 20370 Bakkie Replace	110083	H	Yes	Other assets	General vehicles	180	-	180	-	-	-	
Vote 8 - Protection Services	186	Fire Fighting CK 19430 Bakkie Replace	110084	H	Yes	Other assets	General vehicles	600	-	600	-	-	-	
Vote 8 - Protection Services	187	Traffic Offices Malmesbury - Construct inquiry point	100075	H	Yes	Other assets	Other Buildings	40	-	-	40	-	-	Ward 10
Vote 8 - Protection Services	188	Mun Pol CK 40698 Sedan Replace	120028	H	Yes	Other assets	General vehicles	240	-	-	-	-	240	All Wards
Vote 8 - Protection Services	189	Mun Pol CK 40686 Bakkie Replace	120029	H	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 8 - Protection Services	190	Mun Pol CK 38353 Bakkie Replace	120030	H	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 8 - Protection Services	191	Mun Pol CK 40471 Bakkie Replace	120031	H	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 8 - Protection Services	192	Fire fighting CK 32735 Bakkie Replace	120032	H	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 8 - Protection Services	193	Fire fighting CK 32736 Bakkie Replace	120033	H	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 2 - Civil Services	194	Equipment: Parks	110058	B	Yes	Other assets	Furniture and other office equipment	1,252	-	377	470	125	280	All Wards
Vote 2 - Civil Services		Equipment: Building and Maintenance	120016	D	Yes	Other assets	Furniture and other office equipment	48	-	-	48	-	-	All Wards
Vote 2 - Civil Services	195	Equipment : Refuse Removal	110059	C	Yes	Other assets	Furniture and other office equipment	365	-	210	52	52	52	All Wards
Vote 2 - Civil Services	196	Equipment : Water	110062	B	Yes	Other assets	Furniture and other office equipment	458	-	130	163	97	68	All Wards
Vote 2 - Civil Services	197	Equipment: Streets and Stormwater	110060	B	Yes	Other assets	Furniture and other office equipment	699	-	252	96	221	130	All Wards
Vote 4 - Electricity Services	198	Equipment: Electric	110096	F	Yes	Other assets	Furniture and other office equipment	1,400	-	350	350	350	350	All Wards
Vote 8 - Protection Services	199	Equipment: Municipal Police	100138	G	Yes	Other assets	Furniture and other office equipment	1,000	-	250	250	250	250	All Wards
Vote 8 - Protection Services	200	Equipment : Mun Pol:Replacement : Video speed camera	100106	G	Yes	Other assets	Furniture and other office equipment	127	-	-	127	-	-	All Wards
Vote 8 - Protection Services	201	Equipment : Fire Fighting	100139	G	Yes	Other assets	Furniture and other office equipment	320	-	80	80	80	80	All Wards
Vote 6 - Development Services	202	Equipment : Development Services	110097	J	Yes	Other assets	Furniture and other office equipment	600	-	-	200	200	200	All Wards
Vote 1 - Corporate Services	203	Equipment Corporate: Buildings &Swartland Halls	090024	O	Yes	Other assets	Furniture and other office equipment	400	-	100	100	100	100	All Wards
Vote 5 - Financial Services	204	Equipment: IT	090023	U	Yes	Other assets	Computers - hardware/equipment	2,969	-	659	685	1,100	525	All Wards
Vote 5 - Financial Services	205	MS Software	110100	U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-	
Vote 5 - Financial Services	206	Xen	110103	U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-	
Vote 5 - Financial Services	207	Biometric Equipment Replacement		U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-	
Vote 5 - Financial Services	208	Backup Solution		U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-	
Vote 5 - Financial Services	209	Terminal Replacements	110104	U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-	

Vote 5 - Financial Services	210	Monitor Replacements	U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-	-
Vote 5 - Financial Services	211	Scanner Replacements	110105	U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-
Vote 5 - Financial Services	212	General Capital	110106	U	Yes	Other assets	Furniture and other office equipment	-	-	-	-	-	-
Vote 5 - Financial Services	213	Wireless Network	110107	U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-
Vote 5 - Financial Services	214	Server Replacement	U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-	-
Vote 5 - Financial Services	215	UPS Equipment	U	Yes	Other assets	Computers - hardware/equipment	-	-	-	-	-	-	-
Vote 3 - Council	216	Items above R 300 in terms of GRAP 17 : Council	090021aa	S	Yes	Other assets	Furniture and other office equipment	60	7	12	13	14	14 All Wards
Vote 7 - Municipal Manager	217	Items above R 300 in terms of GRAP 17 : MM	090021ab	S	Yes	Other assets	Furniture and other office equipment	86	13	17	18	19	20 All Wards
Vote 2 - Civil Services	218	Items above R 300 in terms of GRAP 17 : Civil	090021ac	A	Yes	Other assets	Furniture and other office equipment	703	-	157	173	182	191 All Wards
Vote 1 - Corporate Services	219	Items above R 300 in terms of GRAP 17 : Corporate	090021ad	N	Yes	Other assets	Furniture and other office equipment	228	12	48	53	56	59 All Wards
Vote 6 - Development Services	220	Items above R 300 in terms of GRAP 17 : Development	090021ag	J	Yes	Other assets	Furniture and other office equipment	295	-	66	73	76	80 All Wards
Vote 5 - Financial Services	221	Items above R 300 in terms of GRAP 17 : Financial	090021af	Q	Yes	Other assets	Furniture and other office equipment	223	36	42	46	48	51 All Wards
Vote 8 - Protection Services	222	Items above R 300 in terms of GRAP 17 : Protection	090021ah	G	Yes	Other assets	Furniture and other office equipment	491	-	110	121	127	133 All Wards
Vote 4 - Electricity Services	223	Elect Items above R 300 in terms of GRAP 17 : Electric	090021ae	F	Yes	Other assets	Furniture and other office equipment	551	99	105	110	116	121 All Wards
Vote 1 - Corporate Services	224	CK1 Sedan Replace	110091	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 1 - Corporate Services	225	CK15265 Combi Replaced	110092	Yes	Other assets	General vehicles	-	-	-	-	-	-	All Wards
Vote 1 - Corporate Services	226	Purchase of Land: Roads (Abbotsdale and Riebeeck Wes)	110113	Yes	Other assets	Other Land	120	-	120	-	-	-	-
Vote 1 - Corporate Services	227	Toilet and Fencing: Chatsworth Library	090166	O	Yes	Other assets	Other Land	116	-	-	116	-	- Ward 4
Vote 1 - Corporate Services	227	Elect Items above R 300 in terms of GRAP 17 : Libraries	N	Yes	Other assets	Furniture and other office equipment	11	11	-	-	-	-	-
Vote 2 - Civil Services		Opgradering vir stormwater	B	Yes	Infrastructure	Roads, Pavements & Bridges	545	545	-	-	-	-	-
Vote 2 - Civil Services		80 - TREKKER. VERVANG MET 'N TROKKIE. SIVIEL WIL TREKKER NOU IN KO	B	Yes	Other assets	General vehicles	282	282	-	-	-	-	-
Vote 2 - Civil Services		perusting : Siviël Bomag Roller vir teerwerk - Darling Vervanging R240 000	B	Yes	Other assets	Furniture and other office equipment	226	226	-	-	-	-	-
Vote 2 - Civil Services		Toerusting : Siviël Bomag - Darling - Sleepwa R60 000	B	Yes	Other assets	Furniture and other office equipment	56	56	-	-	-	-	-
Vote 2 - Civil Services		Toerusting : Siviël Bomag Roller vir teerwerk	B	Yes	Other assets	Furniture and other office equipment	226	226	-	-	-	-	-
Vote 2 - Civil Services		Toerusting : Siviël Bomag - Sleepwa R60 000	B	Yes	Other assets	Furniture and other office equipment	56	56	-	-	-	-	-
Vote 2 - Civil Services		Strate CEA 7153	B	Yes	Other assets	General vehicles	457	457	-	-	-	-	-
Vote 2 - Civil Services		Strate CK 40485	120001	B	Yes	Other assets	General vehicles	246	246	-	-	-	-
Vote 2 - Civil Services		Elektriese Omheining: Highlands Stortingsterrein	C	Yes	Other assets	Other Buildings	104	104	-	-	-	-	-
Vote 2 - Civil Services		Sewerage Riebeeck Wes en Riebeeck Kasteel	B	Yes	Infrastructure	Reticulation Sanitation	154	154	-	-	-	-	-
Vote 2 - Civil Services		Sewerage Koringberg	B	Yes	Infrastructure	Reticulation Sanitation	63	63	-	-	-	-	-
Vote 2 - Civil Services		Moorreesburg Waterpomptasie	B	Yes	Infrastructure	Reticulation Water	826	826	-	-	-	-	-
Vote 2 - Civil Services		Water: Replace water pipe Loedolf Street	B	Yes	Infrastructure	Water purification	108	108	-	-	-	-	-
Vote 2 - Civil Services		Water: Replace water pipe Werdmuller Street	B	Yes	Infrastructure	Water purification	121	121	-	-	-	-	-
Vote 2 - Civil Services		Fuike,skips,vullisdromme (Swartland)	C	Yes	Other assets	Furniture and other office equipment	26	26	-	-	-	-	-
Vote 2 - Civil Services		Telemetrie riool - slegs nuwe uitbreidings	B	Yes	Other assets	Furniture and other office equipment	43	43	-	-	-	-	-
Vote 2 - Civil Services		Klein Kapitaal in terme van Grap 17 : Civil	A	Yes	Other assets	Furniture and other office equipment	154	154	-	-	-	-	-
Vote 2 - Civil Services		Toerusting Riool : Sample taking Apparatus	B	Yes	Other assets	Furniture and other office equipment	371	371	-	-	-	-	-
Vote 2 - Civil Services		Toerusting Riool : Submersible Pump	B	Yes	Other assets	Furniture and other office equipment	43	43	-	-	-	-	-
Vote 2 - Civil Services		Strate CK 16422	B	Yes	Other assets	General vehicles	136	136	-	-	-	-	-
Vote 2 - Civil Services		Strate CK 52829	B	Yes	Other assets	General vehicles	246	246	-	-	-	-	-
Vote 2 - Civil Services		Vullis CK 52080	C	Yes	Other assets	General vehicles	1,664	1,664	-	-	-	-	-
Vote 2 - Civil Services		Water CK 32422	B	Yes	Other assets	General vehicles	195	195	-	-	-	-	-
Vote 2 - Civil Services		Voertuig vir J Horn - Bedank uit essensiele skema	B	Yes	Other assets	General vehicles	137	137	-	-	-	-	-
Vote 2 - Civil Services		Refuse: Fencing Darling	C	Yes	Other assets	Other Buildings	354	354	-	-	-	-	-
Vote 2 - Civil Services		Swimming pool Malmesbury: New Tiles/Surface	B	Yes	Community	Sportsfields & stadia	115	115	-	-	-	-	-
Vote 2 - Civil Services		Parke CK 20670	B	Yes	Other assets	General vehicles	299	299	-	-	-	-	-
Vote 2 - Civil Services		Parke CK 12289	B	Yes	Other assets	General vehicles	281	281	-	-	-	-	-

Vote 2 - Civil Services	Wesbank Sportgronde: Sugdreinerig en kledkamer	B	Yes	Community	Sportsfields & stadia	1,026	1,026	-	-	-	-
Vote 2 - Civil Services	Illinge Sokkerfield: Elektriese toevoer en Spreiilgte	B	Yes	Community	Sportsfields & stadia	990	990	-	-	-	-
Vote 2 - Civil Services	Koringberg Sportgronde: Omheining en Pawiljoene	B	Yes	Community	Sportsfields & stadia	446	446	-	-	-	-
Vote 2 - Civil Services	Abbotsdale: Nuwe Klubhuis	B	Yes	Community	Sportsfields & stadia	512	512	-	-	-	-
Vote 2 - Civil Services	Transfer Station Yzerfontein: Fencing	C	Yes	Other assets	Other Buildings	146	146	-	-	-	-
Vote 1 - Corporate Services	Opgradering van Toerusting en Geboue, Swartlandsale		Yes	Other assets	Furniture and other office equipment	102	102	-	-	-	-
Vote 4 - Electricity Services	Behuising Projek Darling : Electricity R 500 000 09/10, R3 miljoen bewillig	F	Yes	Infrastructure	Transmission & Reticulation	1,557	1,557	-	-	-	-
Vote 4 - Electricity Services	Elekt Eskom purchase of land.	F	Yes	Infrastructure	Transmission & Reticulation	41	41	-	-	-	-
Vote 4 - Electricity Services	Elect. Control panel for Generator - Malmesbury	F	Yes	Other assets	Furniture and other office equipment	53	53	-	-	-	-
Vote 4 - Electricity Services	Elect New impulse generator	F	Yes	Other assets	Furniture and other office equipment	184	184	-	-	-	-
Vote 4 - Electricity Services	CCTV Camera System: Yzerfontein	F	Yes	Other assets	Furniture and other office equipment	60	60	-	-	-	-
Vote 4 - Electricity Services	Elekt CK 28630	F	Yes	Other assets	General vehicles	751	751	-	-	-	-
Vote 5 - Financial Services	Rekenaartoerusting en verwante aangeleenthede	U	Yes	Other assets	Computers - hardware/equipment	729	729	-	-	-	-
Vote 5 - Financial Services	Finansies CK 16249	R	Yes	Other assets	General vehicles	116	116	-	-	-	-
Vote 5 - Financial Services	Finansies CK 6016	R	Yes	Other assets	General vehicles	116	116	-	-	-	-
Vote 5 - Financial Services	Finansies CK 14615	R	Yes	Other assets	General vehicles	116	116	-	-	-	-
Vote 5 - Financial Services	Conditioners Kredietbeheer, Ontwikkelingsdienste en Yzerfontein kantore	R	Yes	Other assets	Furniture and other office equipment	29	29	-	-	-	-
Vote 6 - Development Services	Dienste lae Koste Behuising Chatsworth	M	Yes	Other assets	Other Buildings	12,763	12,763	-	-	-	-
Vote 6 - Development Services	Small Farmers Agriculture: Implementation of project Darling	J	Yes	Other assets	Plant & equipment	75	75	-	-	-	-
Vote 6 - Development Services	Klein Kapitaal in terme van Grap 17 : Development	J	Yes	Infrastructure	Reticulation Water	54	54	-	-	-	-
Vote 8 - Protection Services	Klein Kapitaal in terme van Grap 17 : Protection	G	Yes	Other assets	Furniture and other office equipment	97	97	-	-	-	-
Vote 8 - Protection Services	Mun Pol CK 14008	090203	H	Yes	Other assets	General vehicles	248	248	-	-	-
Vote 8 - Protection Services	Mun Pol CK 21606		H	Yes	Other assets	General vehicles	248	248	-	-	-
Vote 8 - Protection Services	HAWA YZERFONTEIN CK 19282		H	Yes	Other assets	General vehicles	128	128	-	-	-
Vote 8 - Protection Services	Brandweer Voertuig R600 000		H	Yes	Other assets	Specialised vehicles	529	529	-	-	-
Parent Capital expenditure	1						85,708	99,611	86,848	74,563	48,388

26.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Two of the five interns have been appointed permanently from June 2011 and December 2011. One intern is on a mentorship in the budget office for a maximum of two years. Two new interns have been appointed with effect from 1 May 2012 to comply with National Treasury who prescribes the number of interns to be five.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2012/13 MTREF in May 2012 directly aligned and informed by the 2012/13 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

26.13 Other supporting documents**Table 46 MBRR Table SA1 - Supporting detail to budgeted financial performance**

Description	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand						
REVENUE ITEMS:						
<u>Property rates</u>						
Total Property Rates	57 738	61 844	61 844	70 280	75 285	80 606
less Revenue Foregone	1 070	2 936	2 936	2 804	3 143	3 332
Net Property Rates	56 669	58 908	58 908	67 476	72 142	77 274
<u>Service charges - electricity revenue</u>						
Total Service charges - electricity revenue	130 157	155 674	155 674	177 611	197 382	219 476
less Revenue Foregone	5 624	1 111	1 105	8 209	9 931	11 432
Net Service charges - electricity revenue	124 534	154 563	154 569	169 402	187 451	208 045
<u>Service charges - water revenue</u>						
Total Service charges - water revenue	27 843	28 909	28 909	35 728	40 988	49 326
less Revenue Foregone	2 172	1 729	1 729	3 444	4 063	4 732
Net Service charges - water revenue	25 671	27 180	27 180	32 285	36 925	44 594
<u>Service charges - sanitation revenue</u>						
Total Service charges - sanitation revenue	21 919	26 173	26 173	28 895	33 374	38 914
less Revenue Foregone	5 122	6 543	6 543	7 962	9 908	11 777
Net Service charges - sanitation revenue	16 797	19 630	19 630	20 934	23 467	27 138
<u>Service charges - refuse revenue</u>						
Total refuse removal revenue	16 259	18 424	18 424	23 271	24 667	26 332
Total landfill revenue	-	-	-	-	-	-
less Revenue Foregone	3 660	4 603	4 603	5 123	5 853	6 369
Net Service charges - refuse revenue	12 599	13 821	13 821	18 147	18 814	19 963
<u>Other Revenue by source</u>						
Other Revenue	12 696	9 754	9 042	11 360	11 807	12 204
Donated PPE	3 244	-	-	-	-	-
Total 'Other' Revenue	15 939	9 754	9 042	11 360	11 807	12 204

EXPENDITURE ITEMS:						
<u>Employee related costs</u>						
Basic Salaries and Wages	64 928	73 552	73 552	77 644	84 016	90 503
Pension and UIF Contributions	10 516	11 870	11 870	12 665	13 298	13 978
Medical Aid Contributions	4 690	5 511	5 511	6 078	6 686	7 355
Overtime	3 522	3 394	3 394	4 559	4 983	5 532
Performance Bonus	–	–	–	–	–	–
Motor Vehicle Allowance	5 988	5 940	5 940	6 335	6 507	6 685
Housing Allowances	439	566	566	560	591	623
Other benefits and allowances	4 132	4 466	4 466	5 563	5 867	6 189
Payments in lieu of leave	865	1 313	1 313	1 080	1 156	1 237
Long service awards	975	697	697	828	894	966
Post-retirement benefit obligations	3 473	3 250	3 250	2 375	2 607	2 870
sub-total	99 527	110 559	110 559	117 689	126 605	135 937
Less: Employees costs capitalised to PPE	–	–	–	–	–	–
Total Employee related costs	99 527	110 559	110 559	117 689	126 605	135 937
<u>Depreciation & asset impairment</u>						
Depreciation of Property, Plant & Equipment	64 936	78 958	78 958	76 853	79 856	81 835
Total Depreciation & asset impairment	64 936	78 958	78 958	76 853	79 856	81 835
<u>Bulk purchases</u>						
Electricity Bulk Purchases	83 003	109 208	109 208	124 488	143 162	161 773
Water Bulk Purchases	17 396	18 291	18 291	20 959	22 705	27 194
Total bulk purchases	100 399	127 499	127 499	145 447	165 867	188 966
<u>Transfers and grants</u>						
Cash transfers and grants	1 084	1 296	1 296	1 363	1 403	1 403
Total transfers and grants	1 084	1 296	1 296	1 363	1 403	1 403
<u>Contracted services</u>						
Printing of Accounts	350	340	340	300	309	320
Cleaning Services: Office Buildings	97	120	120	220	227	235
Cleaning Public Open Spaces	656	700	700	700	721	746
Highlands Refuse Dump: Recycling	120	119	119	120	120	120
Refuse Removal: Rural Area	242	260	270	297	330	354
Sweeping of streets	1 420	1 666	1 666	1 708	1 759	1 821
Traffic Management	–	30	–	–	40	–
Total contracted services	2 884	3 236	3 216	3 345	3 506	3 595
<u>Other Expenditure By Type</u>						
Consultant fees	506	400	400	400	412	426
Audit fees	1 444	1 499	1 582	1 915	2 035	2 166
General expenses	17 107	19 109	23 532	19 132	18 337	19 266
Repairs and maintenance	15 431	16 802	17 102	18 197	19 091	20 194
General Expenses - Departmental	–	6 757	6 757	–	–	–
Advertisements	456	438	293	330	340	352
Bank Charges	543	439	439	557	573	593
Chemicals	955	1 161	1 161	1 095	1 127	1 162
Commission	1 245	1 076	1 076	910	1 794	2 071
Consumables	487	496	496	491	507	525
Connection fees	931	664	664	755	699	714
Fuel Cost	4 158	4 508	4 508	5 055	5 214	5 725
Lease Payments	239	249	249	212	233	240
Insurance Costs	736	1 244	1 244	883	992	1 054
Licence Fees	1 216	1 152	1 152	1 290	1 380	1 488
Other Operating Grant Expenditure	18 577	13 686	15 653	690	463	487
Telephone Cost	1 300	1 443	1 443	1 356	1 500	1 582
Total 'Other' Expenditure	65 330	71 123	77 752	53 267	54 696	58 046

Table 47 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - Corporate Services	Vote 2 - Civil Services	Vote 3 - Council	Vote 4 - Electricity Services	Vote 5 - Financial Services	Vote 6 - Developmen t Services	Vote 7 - Municipal Manager	Vote 8 - Protection Services	Total
R thousand									
Revenue By Source									
Property rates	–	–	–	–	67 476	–	–	–	67 476
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	169 408	(6)	–	–	–	169 402
Service charges - water revenue	–	32 285	–	–	–	–	–	–	32 285
Service charges - sanitation revenue	–	20 934	–	–	–	–	–	–	20 934
Service charges - refuse revenue	–	18 147	–	–	–	–	–	–	18 147
Rental of facilities and equipment	254	612	–	–	–	1 541	–	0	2 407
Interest earned - external investments	–	–	–	–	12 023	–	–	–	12 023
Interest earned - outstanding debtors	–	–	–	–	1 195	–	–	–	1 195
Fines	40	–	–	–	–	–	–	4 000	4 040
Licences and permits	–	–	–	–	–	1	–	2 723	2 724
Agency services	–	–	–	–	–	–	–	2 416	2 416
Other revenue	659	7 787	–	417	628	1 616	–	252	11 360
Transfers recognised - operational	4 500	14 912	2 492	1 234	11 563	–	–	–	34 701
Gains on disposal of PPE	–	–	–	–	6 365	–	–	–	6 365
Total Revenue (excluding capital transfers and	5 453	94 676	2 492	171 059	99 244	3 158	–	9 391	385 473
Expenditure By Type									
Employee related costs	11 550	42 436	0	10 238	21 157	9 533	3 358	19 416	117 689
Remuneration of councillors	–	–	7 016	–	–	–	–	–	7 016
Debt impairment	–	3 841	–	1 822	3 932	41	–	–	9 636
Depreciation & asset impairment	615	61 915	7	11 835	1 355	220	–	906	76 853
Finance charges	40	14 820	4	925	21	17	–	37	15 864
Bulk purchases	–	20 959	–	124 488	–	–	–	–	145 447
Contracted services	220	2 825	–	–	300	–	–	–	3 345
Transfers and grants	634	–	700	–	–	–	–	30	1 363
General Expenses	3 497	24 069	1 796	3 444	13 408	2 110	220	4 722	53 267
Total Expenditure	16 556	170 867	9 523	152 751	40 174	11 920	3 578	25 111	430 480
Surplus/(Deficit)	(11 103)	(76 190)	(7 031)	18 307	59 071	(8 763)	(3 578)	(15 721)	(45 007)
Transfers recognised - capital	–	–	–	–	19 480	–	–	–	19 480
Surplus/(Deficit) after capital transfers & contributions	(11 103)	(76 190)	(7 031)	18 307	78 551	(8 763)	(3 578)	(15 721)	(25 527)

Table 48 MBRR Table SA3 – Supporting detail to Statement of Financial Position

WC015 Swartland - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand						
ASSETS						
<u>Call investment deposits</u>						
Call deposits < 90 days	-	122,377	122,377	126,621	104,754	84,754
Other current investments > 90 days	71,841	70,000	63,009	22,007	19,010	16,010
Total Call investment deposits	71,841	192,377	185,385	148,628	123,765	100,765
<u>Consumer debtors</u>						
Consumer debtors	39,453	37,012	37,012	40,554	44,435	48,879
Less: Provision for debt impairment	(3,753)	(4,723)	(4,309)	(12,239)	(13,351)	(14,716)
Total Consumer debtors	35,700	32,290	32,703	28,315	31,084	34,163
<u>Debt impairment provision</u>						
Balance at the beginning of the year	4,584	4,167	3,753	4,309	12,239	13,351
Contributions to the provision	1,434	1,706	1,706	9,636	10,748	12,113
Bad debts written off	(2,265)	(1,150)	(1,150)	(1,706)	(9,636)	(10,748)
Balance at end of year	3,753	4,723	4,309	12,239	13,351	14,716
<u>Property, plant and equipment (PPE)</u>						
PPE at cost/valuation (excl. finance leases)	3,134,737	3,243,751	3,234,347	3,321,317	3,395,880	3,444,268
Leases recognised as PPE	1,494	1,478	1,494	1,494	1,494	1,494
Less: Accumulated depreciation	1,443,947	1,743,117	1,522,904	1,599,669	1,679,435	1,761,176
Total Property, plant and equipment (PPE)	1,692,284	1,502,112	1,712,937	1,723,141	1,717,939	1,684,586
LIABILITIES						
<u>Current liabilities - Borrowing</u>						
Short term loans (other than bank overdraft)	-	-	-	-	-	-
Current portion of long-term liabilities	4,583	6,448	5,750	5,176	3,634	4,000
Total Current liabilities - Borrowing	4,583	6,448	5,750	5,176	3,634	4,000
<u>Trade and other payables</u>						
Trade and other creditors	38,811	38,678	38,678	39,839	41,034	43,086
Unspent conditional transfers	3,182	150	1,362	1,962	1,962	1,962
VAT	-	-	-	-	-	-
Total Trade and other payables	41,993	38,829	40,041	41,801	42,996	45,048
<u>Non current liabilities - Borrowing</u>						
Borrowing	48,866	161,282	161,138	155,387	150,211	142,978
Finance leases (including PPP asset element)	301	290	290	61	24	-
Total Non current liabilities - Borrowing	49,167	161,572	161,428	155,449	150,236	142,978
<u>Provisions - non-current</u>						
Retirement benefits	24,658	23,094	23,094	23,787	24,500	25,725
List other major provision items	-	-	-	-	-	-
Refuse landfill site rehabilitation	-	-	-	-	-	-
Other	4,291	3,391	3,391	3,492	3,597	3,777
Total Provisions - non-current	28,949	26,485	26,485	27,279	28,097	29,502
CHANGES IN NET ASSETS						
<u>Accumulated Surplus/(Deficit)</u>						
Accumulated Surplus/(Deficit) - opening balance	1,797,378	1,578,718	1,809,124	1,615,814	1,590,493	1,567,782
GRAP adjustments	-	-	-	-	-	-
Restated balance	1,797,378	1,578,718	1,809,124	1,615,814	1,590,493	1,567,782
Surplus/(Deficit)	10,886	(45,633)	(49,091)	(25,527)	(36,392)	(33,431)
Appropriations to Reserves	-	(161,657)	(161,657)	(1,795)	(1,318)	(1,905)
Transfers from Reserves	860	783	17,439	2,000	15,000	5,000
Depreciation offsets	-	-	-	-	-	-
March 2011	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1,809,124	1,372,211	1,615,814	1,590,493	1,567,782	1,537,446
<u>Reserves</u>						
Housing Development Fund	626	655	-	-	-	-
Capital replacement	-	133,673	117,673	117,673	102,673	97,673
Self-insurance	-	-	-	-	-	-
Depreciation offsets	-	-	-	-	-	-

**Table 48 MBRR Table SA3 – Supporting detail to Statement of Financial Position
(Continued)**

WC015 Swartland - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand						
CHANGES IN NET ASSETS						
<u>Accumulated Surplus/(Deficit)</u>						
Accumulated Surplus/(Deficit) - opening balance	1,797,378	1,578,718	1,809,124	1,615,814	1,590,493	1,567,782
GRAP adjustments	-	-	-	-	-	-
Restated balance	1,797,378	1,578,718	1,809,124	1,615,814	1,590,493	1,567,782
Surplus/(Deficit)	10,886	(45,633)	(49,091)	(25,527)	(36,392)	(33,431)
Appropriations to Reserves	-	(161,657)	(161,657)	(1,795)	(1,318)	(1,905)
Transfers from Reserves	860	783	17,439	2,000	15,000	5,000
Depreciation offsets	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1,809,124	1,372,211	1,615,814	1,590,493	1,567,782	1,537,446
<u>Reserves</u>						
Housing Development Fund	626	655	-	-	-	-
Capital replacement	-	133,673	117,673	117,673	102,673	97,673
Self-insurance	-	-	-	-	-	-
Provisions Reserve	-	27,985	27,985	27,779	29,097	31,002
Revaluation	-	-	-	-	-	-
Total Reserves	626	162,313	145,657	145,452	131,770	128,675
TOTAL COMMUNITY WEALTH/EQUITY	1,809,750	1,534,523	1,761,471	1,735,945	1,699,552	1,666,121

Table 49 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

WC015 Swartland - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics										
Population	65	72	78	81	84	84	95	95	96	97
Females aged 5 - 14		7		21	23	23	26	26	26	27
Males aged 5 - 14		7								
Females aged 15 - 34		13		31	37	37	42	42	42	43
Males aged 15 - 34		13								
Unemployment		3								
Monthly household income (no. of households)										
No income			7,453	7,069	7,756	8,683	9,388	9,535	9,657	9,900
R1 - R1 600			4,254	1,965	2,155	2,413	2,609	2,650	2,684	2,751
R1 601 - R3 200			1,312	2,105	2,309	2,585	2,796	2,839	2,876	2,948
R3 201 - R6 400			928	3,070	3,368	3,770	4,077	4,141	4,194	4,299
R6 401 - R12 800			464	1,531	1,680	1,881	2,034	2,066	2,092	2,145
R12 801 - R25 600			256	1,140	1,251	1,400	1,514	1,538	1,558	1,597
R25 601 - R51 200			80	614	674	754	815	828	839	860
R52 201 - R102 400			16	26	29	32	35	35	36	37
R102 401 - R204 800			8	12	13	15	16	17	17	17
R204 801 - R409 600			5	9	10	11	12	12	12	12
R409 601 - R819 200			2	-	-	-	-	-	-	-
> R819 200			-	-	-	-	-	-	-	-
Poverty profiles (no. of households)										
< R2 060 per household per month										
Insert description										
Household/demographics (000)										
Number of people in municipal area										
Number of poor people in municipal area										
Number of households in municipal area			16,439	18	19	23	23	24	24	25
Number of poor households in municipal area			3,411	4	4	4	5	5	6	6
Definition of poor household (R per month)			1,914	2,134	2,222	2,552	2,884	3,259	3,690	3,888
Housing statistics										
Formal			15,189	16,910	18,249	20,530	22,103	22,583	22,730	23,263
Informal			805	631	996	1,015	1,193	1,077	1,234	1,302
Total number of households	-	-	15,994	17,541	19,245	21,545	23,296	23,660	23,964	24,565
Dwellings provided by municipality					215	1,566				
Dwellings provided by province/s			400	265	540			543	541	300
Dwellings provided by private sector										
Total new housing dwellings	-	-	400	265	755	1,566	-	543	541	300
Economic										
Inflation/inflation outlook (CPIX)				5.5%	7.5%	4.1%	6.0%	6.0%	6.0%	6.0%
Interest rate - borrowing				11.6%	11.6%	10.0%	11.6%	11.6%	11.6%	11.6%
Interest rate - investment				9.9%	6.8%	6.0%	6.2%	6.2%	6.2%	6.2%
Remuneration increases				16.8%	20.6%	12.0%	12.1%	12.1%	12.1%	12.1%
Consumption growth (electricity)				1.5%	4.1%	3.8%	3.8%	3.8%	3.8%	3.8%
Consumption growth (water)				5.2%	6.0%	7.8%	8.0%	8.0%	8.0%	8.0%
Collection rates										
Property tax/service charges				98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%
Rental of facilities & equipment				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - external investments				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors				97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%
Revenue from agency services				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 50 MBRR SA32 – List of external mechanisms

WC015 Swartland - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Hein Baumgarden	Yrs	3	Highlands Refuse Dump: Recycling	31 December 2013	1,495